

DAILY REPORT

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PRC CALLS FOR SAFE USE OF NUCLEAR POWER IN SPACE

OW180708 Beijing XINHUA in English 0649 GMT 18 Mar 87

[Text] United Nations, March 17 (XINHUA) -- China today called for legal principles ensuring the safe use of nuclear power sources in outer space at the United Nations.

Speaking at a meeting of the Legal Sub-committee of the UN Committee on the Peaceful Uses of Outer Space (UNCOPUOS), China's representative He Qizhi said such principles are of "great significance."

All countries must ensure that the earth is protected from radioactivity, he said.

In designing the principles, the sub-committee should consider the feasibility and necessity of nuclear power in space, he said.

The session of the Legal Sub-committee of UNCOPUOS began yesterday. The three-week session will also discuss the definition and delimitation of outer space and geostationary orbit.

PRC TO JOIN DEFENSE EXHIBITION IN THAILAND

OW161856 Beijing XINHUA in English 1837 GMT 16 Mar 87

[Text] Bangkok, March 16 (XINHUA) -- "Defense Asia 87," an international exhibition on defense equipment for the three services, will open here on March 18 to promote business transactions between the exhibitors and the defense officials in the region.

The exhibition's coordinating committee announced at a press conference here today that the five-day exhibition, organized by a Singapore company, is sponsored by the Thai Defense Ministry together with various government sectors and state enterprises.

Participating in the exhibition will be companies and organizations from 23 countries, including China, France, Hungary, Malaysia, the Philippines, Singapore, Thailand, the United Kingdom and the United States.

The purpose of sponsoring the exhibition is also to promote tourism in Thailand and foreign investment in the country, said Thai senior officers at the press conference.

The exhibition, to be held at the Bangkok International Exhibition Center and the Bangkok Convention Center, has 519 booths with a gross area of 11,500 square metres.

Programs in the exhibition include a two-day live demonstration, and a two-day international conference on "Defense Technology for National Development," which will be attended by some 200 delegates.

YAN JICI MEETS UNESCO HEAD IN BEIJING 14 MAR

OW141314 Beijing XINHUA in English 1212 GMT 14 Mar 87

[Text] Beijing, March 14 (XINHUA) -- Yan Jici, Vice-chairman of China's National People's Congress Standing Committee, met here today Nikolay Todorov, president of the General Conference of the United Nations Educational, Cultural and Scientific Organization, and his wife. Todorov, a famous Bulgarian social scientist, was elected president at the 23rd General Conference of UNESCO in 1985. He is in China as guest of Yang Haibo, vice-minister of China's State Education Commission and vice-chairman of the National Commission of China for UNESCO.

XINHUA PREVIEWS GROUP OF 77 MEETING IN DHAKA

OW131304 Beijing XI'HUA in English 1111 GMT 13 Mar 87

["Group of 77 Asian Meeting To Open in Dhaka Tomorrow (by Xuan Zengpei and Wu Dingbao)" -- XINHUA headline]

[Text] Dhaka, March 13 (XINHUA) -- The Group of 77 will open a position-making ministerial conference of its Asian members here tomorrow to work out a package group strategy for facing an economic climate ever worsening worldwide since 1980.

More than 100 representatives from 32 out of its 43 members and over a dozen regional, international and world organizations will focus their three-day sessions on four outstanding areas: commodities prices, trade conditions, least developed countries (LDC's) and finance resources.

Heated debates are expected on the package, which is to be projected at the Seventh United Nations Conference on Trade and Development next July, since wide divergence of views has been found at a senior officials' meeting here on March 9-12, meeting sources told XINHUA.

However, all the members, no matter oil-rich mideasterners or resources-poor LDC's agreed that a team tactics is beneficial and vital to each and all, the sources said.

No details of the package were immediately known but the sources said the March 9-12 meeting had agreed to add in one sentence reaffirming the participants' commitment to economic cooperation and principles of collective self-reliance among developing countries.

The opening session is to be inaugurated by Bangladesh President Hussain Mohammad Ershad tomorrow and a Dhaka declaration is to come out at the end on March 16 to highlight the important developments.

The Dhaka declaration will fully reflect the "Asian characteristics" which probably lay stress on commodities prices, the sources said.

The Group of 77 founded in 1964 with a membership of 77 initially and 127 at present. The group, embracing two-thirds of the world's population, is sub-grouped into three regional teams in Asia, Africa and Latin America. Its Asian team had its last or the fifth ministerial meeting in Baghdad in 1983.

XINHUA INTERVIEWS CAMBODIAN ON DHAKA MEETING

OW151004 Beijing XINHUA in English 0745 GMT 15 Mar 87

[Text] Dhaka, March 15 (XINHUA) -- A senior Democratic Kampuchean official said today he is very encouraged by the reception and sympathies he has received at the Sixth Asian Ministerial Conference of the Group-77 now in its second day session here.

In an exclusive interview with XINHUA here, Ngo Hac Team, leader of the Democratic Kampuchean delegation, said his sentiment came from his contacts with the conference's fellow participants especially those from South Asian and Southeast Asian nations.

More than 100 representatives from 32 out of the group's 43 Asian members and over a dozen regional, international and world organizations are meeting here to work out a package group strategy in the face of the worsening world economy.

He said the current three-day economic-oriented conference is very important but he admitted his attendance is only "symbolic" since Democratic Kampuchea has stopped its export for engagement in resistance against the Vietnamese occupation now in its ninth year.

Team said that the Vietnam-backed Heng Samrin regime exports rubber to the Soviet Union in exchange for weaponry. Rice and rubber were Kampuchea's two major export items during peace time, he added.

Team, Democratic Kampuchea's permanent representative to the United Nations, Geneva, said he was sent here to the ministerial conference because all the ministers of his government are now busy at home in the November-April dry season fight, a golden time for resistance.

Referring to the Bangladesh-Romanian joint communique issued yesterday at the end of the three-day visit here by Romanian President Nicolae Ceausescu, Team said he was very much encouraged too by its clear stand on the Kampuchean issue.

The joint communique said that all foreign troops should be withdrawn from Kampuchea so as to restore her sovereignty and create conditions for the Kampuchean people to determine their own destiny without any outside interference.

PRC ANTARCTIC EXPEDITION FULFILLS SURVEY TASK

OW171626 Beijing XINHUA in English 1524 GMT 17 Mar 87

[Text] Beijing, March 17 (XINHUA) -- China's third Antarctic expedition left the "Great Wall" scientific station yesterday for home after completing its survey tasks, according to sources here today.

The National Antarctic Research Committee told XINHUA that soon after arriving December 28, the team began to expand and improve the "Great Wall" station, and carried out biological and oceanographical surveys.

Leaving 15 scientists at the "Great Wall" station to carry out a winter survey, the other 112 team members are returning home on the vessel, "Jidi," and they are expected to arrive at Qingdao, Shandong Province, in mid-May.

SHIJIE ZHISHI ON REAGAN'S STATE OF UNION MESSAGE

HK171422 Beijing SHIJIE ZHISHI in Chinese No 5, 1 Mar 87 pp 4-7

[Article by Xin Peihe (2946 3099 0678): "Striving To Restore Credibility and Continue the 'Reagan Revolution' — Brief Comments on Reagan's 'State of the Union Message'" — first paragraph is SHIJIE ZHISHI introduction — capitalized passages published in boldface]

[Text] The "State of the Union message" delivered by Reagan this time is a test for "the state of the President's competitiveness." There are few new things in it. However, what merits our attention is his "comprehensive proposal for enhancing U.S. competitiveness" and his introduction of a "new national welfare strategy." However, circumstances have changed. He will not find it easy to attain his goals.

Two days before 27 January, the day Reagan delivered his "State of the Union message," THE NEW YORK TIMES commented that "the new thing people are waiting to see is not the state of the union, but the state of the President." THE NEW YORK TIMES was not overstating it. A "State of the Union message" is delivered each year, and what it presents is more often than not a rosy picture. Second, as a result of the "arms sales" scandal, Reagan's "image as an invincible President over the past 6 years has vanished in no time at all." Not long ago, he had an operation on his prostate gland. Thus, people have the impression that his health is not quite sound. Therefore, THE NEW YORK TIMES suggested that the speech "he delivers to Congress this time will be as important as his first State of the Union message."

As people expected, during his half-hour speech on television, Reagan tried his best to restore his credibility and to show off his administrative competence and remarkable competitiveness. He was energetic and as handsome as an actor. In this regard, he was quite successful.

However, the content of his "State of the Union message" is a wholly different matter. What does his State of the Union message tell us?

A Vigorous Effort To Extricate Himself From the Predicament That Has Arisen From the "Arms Sales to Iran" [subhead]

After enumerating his accomplishments, he went on, though reluctantly, to discuss his "one major regret," that is, in his own words: "I took a risk with regard to our action in Iran. It did not work," "serious mistakes were made;" "and for that I assume full responsibility." However, he was tight-mouthed on how the money from the arms sales to Iran had been transferred to the Nicaraguan rebels and did not reveal any fresh information on this issue. On the contrary, he argued that "it is not wrong" to try to establish contacts with a country of strategic importance and that "the goals were worthy," and said that he would "never deny himself the successes of the future." At the same time, he advised his fellow countrymen not to "be obsessed with past issues and let partisanship weaken us" in debating the past but to "go forward together" in the national interest. People commented that REAGAN'S ATTITUDE REGARDING THE U.S.-IRANIAN ARMS DEALS IS ONE OF TACTFULLY EVADING IMPORTANT QUESTIONS WHILE DWELLING ON LESS IMPORTANT ONES.

Continuing To Pursue the Policy of "Strength Plus Talks" Regarding the Soviet Union
[subhead]

Reagan said he was pleased to report that because of the U.S. efforts to rebuild the strength of America, "the world is a safer place." However, he also suggested that because of the Soviet Union's steadily growing military strength, "the world is not safe." Thus, he urged Congress to pass the proposed new budget in order to keep the U.S. defense strength growing. According to the new budget, defense expenditure in Fiscal Year 1988 will be \$312 billion, a 3 percent actual increase over the previous fiscal year if inflation is factored in. Reagan suggested that defense expenditure should increase by \$20 billion in each of the next 5 years so that the total defense expenditure in the next 5 years will be \$1800 billion. Although this increase in the country's defense budget is the smallest since his inauguration, the execution of the plan for modernizing the U.S. nuclear arms and of the "Star Wars" program is not hampered by it. For example, the amount of money to be spent on antisatellite missile research will double, to \$402 million; the United States will spend \$4.6 billion purchasing MX missiles in the next 2 years total funding for research on Midgetman single warhead nuclear missiles in the next 2 years; will also be \$4.6 billion; and the United States will build two more "Trident" nuclear-powered submarines and continue its development of the stealth bomber and cruise missiles. Reagan has resolved to go ahead with his "Star Wars" program, stressing that "the 'Star Wars program' is the most positive and most promising program we have undertaken." He suggested that research funding should increase from \$3.2 billion in the current fiscal year to \$5.2 billion in the next. Apart from stressing the need to continue to augment U.S. military strength, Reagan also indicated his willingness to choose "dialogue" and to "establish more constructive relations" with the Soviet Union. He suggested that "the present is a moment of rare opportunity for arms reduction" and said that he would veto any congressional effort to undercut U.S. national security and negotiating leverage. This shows that THE REAGAN ADMINISTRATION WILL CONTINUE TO PURSUE THE DUAL POLICY OF "STRENGTH PLUS DIALOGUE," THAT IS, BACKED UP BY ACTUAL STRENGTH, THE UNITED STATES WILL TRY TO FORCE THE SOVIET UNION TO MAKE CONCESSIONS THROUGH TALKS.

Reiterating the Need To Safeguard U.S. Regional Interests [subhead]

Reagan pays close attention to U.S. regional interests. He reiterated that in the Middle East, "the United States will not sit idly by if its interests and those of its friends are infringed upon;" that in Afghanistan, it is ready to "support a political solution that guarantees the rapid withdrawal of all Soviet troops and genuine self-determination for the Afghan people;" and that in Central America, it will staunchly shoulder the responsibilities it has undertaken since the introduction of the "Monroe Doctrine" in 1823 and guarantee support for Nicaragua's "freedom fighters," but will "never allow the Soviet Union to build a beachhead in Central America." Reagan said that to ensure the achievements of the objectives of U.S. regional policy, the country's foreign aid budget will increase from \$14.6 billion in the current fiscal year to \$15.2 billion in the next, and an additional \$1.2 billion should be allocated for foreign aid in the current fiscal year in order to fulfill U.S. obligations to the host countries of its overseas bases, such as Spain, Portugal, Turkey, the Philippines, Morocco, Oman, Kenya, and Somalia. In addition, Reagan also asked for \$105 million in military and charity aid for Nicaragua. All this shows that THE REAGAN ADMINISTRATION WILL CONTINUE TO PURSUE THE "REAGAN DOCTRINE" AND WILL STEP UP ITS REGIONAL CONTENTION WITH THE SOVIET UNION IN VARIOUS PARTS OF THE WORLD.

Sticking to the Course Set by Reagan's Economic Policy [subhead]

In his "State of the Union message," Reagan said that in spite of the great success of his administration "in restoring the country's economic integrity," the federal deficit is "outrageous" and it constitutes a great threat to the U.S. economy. To keep the U.S. economy growing steadily, Reagan regards deficit reduction as one of the objectives of the new budget. According to the new budget, total expenditure in Fiscal Year 1988 will be \$1,024.3 billion, with a deficit estimated at \$107.8 billion, which is quite close to the Gramm-Rudman balanced budget deficit reduction target. Since Reagan continues to increase defense expenditure retroactively and holds firm to his tax reduction proposal, the burden of deficit reduction will fall on civil expenditure and government organs. In his "State of the Union message," Reagan introduced a "new national welfare strategy," the purpose of which is to cut the country's enormous welfare expenditure in the hope that the states will organize and the cities and towns will carry out welfare reforms. This has aroused people's attention. Generally speaking, BEHIND REAGAN'S DOMESTIC ECONOMIC POLICY, THERE IS THE INTENTION OF ADVANCING ALONG A CONSERVATIVE COURSE.

Enhancing the U.S. Competitiveness [subhead]

Since Reagan's inauguration, because of its enormous financial and trade deficits, U.S. overseas competitiveness has been seriously harmed. In his "State of the Union message," Reagan proposed a series of measures for enhancing the overall U.S. international competitiveness in the 21st century. This is considered one of the relatively new things introduced in Reagan's "State of the Union message." Apart from the plan for advancing the "Star Wars" program and an attempt to reduce the deficit, these measures include the policy of insisting on fair and free trade, establishment of new science and technology centers, an increase in funding for basic research, efforts to improve education, creation of new jobs, and in-service retraining for workers, the purpose of which is to enable workers to adapt to the rapidly changing nature of the workplace.

According to the new budget proposed, in the next fiscal year, funding for military technology research and development will increase by 21.5 percent, to \$44 billion; NASA funding will increase by 12.7 percent, to \$5.6 billion; funding for the research on manned space stations, which will be deployed in 1992 according to plans, will be \$767 million; and the budget of the National Science Foundation will increase by 17 percent, to \$1.9 billion. Obviously, REAGAN WANTS TO EXPLOIT NEW POTENTIAL IN ORDER TO ENSURE THAT THE UNITED STATES WILL CONTINUE TO TAKE THE LEAD IN MILITARY AND ECONOMIC AFFAIRS AND IN SCIENCE AND TECHNOLOGY. ALL THIS IS TO COUNTER THE SOVIET UNION, THE UNITED STATES' ADVERSARY IN GLOBAL CONTENTION, AND JAPAN AND WESTERN EUROPE, ITS ADVERSARIES IN THE ECONOMIC FIELD.

Forbidding Circumstances and Manifold Difficulties [subhead]

In his "State of the Union message," Reagan looked forward to the coming 21st century with much optimism and a sense of pride, confident that the future of the United States can be compared to "a rising sun." However, reading between the beautifully couched lines, people find little that is new. In his "State of the Union message," Reagan called on his fellow countrymen "to redouble their personal efforts" to complete the "Reagan revolution." However, it is doubtful that Reagan's goals can be fully attained. First, the opportunity given to Reagan by history will expire in 2 years. He is advanced in age and in frail health. Whether he can continue to direct this "revolution" to the end of his second term is an open question. [paragraph continues]

Second, the situation confronting the "Reagan revolution" is not as favorable as that in the past. From his "State of the Union message," people can easily tell that the time when Congress was under Reagan's command is now over and that in the future he will have to compromise with Congress more often. Judging by the circumstances before and after the delivery of the "State of the Union message," one can see that the course of its preparation was haunted by the complicated struggle between the two political parties. The Democrats have launched an offensive and they question Reagan's competence and ability. On the other hand, differences within Reagan's camp have multiplied as a result of the "arms sales" scandal and the President's prestige is declining. Reagan will find it difficult to get his proposed budget passed. Third, the growth of the U.S. economy is slowing down and its future is uncertain. Thus, it is possible that Reagan will fail to attain the goal of reducing the deficit. Given Europe's and Japan's own economic difficulties, the United States cannot expect them to help it significantly reduce its enormous trade deficit by importing more goods from the United States and by encouraging their domestic demand for U.S. goods. Fourth, although as the United States' adversary of the United States in global contention, the Soviet Union is not unwilling to seek compromise, it will not, however, yield to Reagan's high-pressure policy. This policy will not lead to any changes in the confrontation between them, but will make the situation even more complicated. Fifth, the tendency for Third World countries to strengthen themselves and to seek independence is developing. If the Reagan administration stubbornly holds firm to the "Reagan doctrine," it will in the end land itself in a passive position. Finally, given the imbalance in the development of the economic relations between the United States, Europe, and Japan, Reagan's policy of "benefiting the United States at the expense of others" in trade and in the economic and technological fields not only cannot help the United States enhance its economic competitiveness, but will aggravate the contradictions between the United States and its allies.

FORMER ENVOY TO U.S. ON WESTERN DEMOCRACY

HK131516 Beijing BAN YUE TAN in Chinese No 4, 25 Feb 87 pp 18-21

[Article by Zhu Minzhi (2612 2404 0037): "Cai Zemin on Western Democracy"]

[Text] What is Western Democracy? A former ambassador to the United States for 4 and 1/2 years recently told this reporter his views on this issue.

Cai Zemin was China's first ambassador to the United States. Before China and the United States officially established diplomatic relations, he was appointed to be director of China's Liaison Office in the United States in 1978. After Sino-U.S. diplomatic relations were established, he was appointed China's first ambassador to the United States. He stayed and worked in the United States for 4 and 1/2 years and left his post for home in December 1982. In an interview with this reporter, he used what he saw and heard in the United States to give the real picture of Western democracy.

Cai Zemin said: "In the United States, I found that democracy and freedom were indeed rather attractive terms which were flaunted everywhere. Some government heads and senior officials mentioned such terms as democracy and freedom whenever they spoke. It seems that the United States is the most democratic country in the world. But what are the facts?"

He then told this reporter about the presidential election system of the United States. During his tenure as ambassador to the United States, he experienced the presidential election contest between Reagan and Carter. [paragraph continues]

Cai Zemin said that many people blindly admired the capitalist election system and regarded it as a democratic system. But the presidential election he saw in the United States was in fact a kind of money election. Without the support of financial groups with millions of dollars, who could be a presidential candidate and run an election campaign? Only people who have money can carry out campaign propaganda through various channels. Obviously, without money, a person certainly cannot become a congressman, still less can he become President.

When he was ambassador to the United States, Cai Zemin once gave a lecture in the State of Illinois to brief the audience about China's situation. There he ran into an old American friend who was campaigning to become a representative in Congress. He was invited by this American statesman to visit his congressional district. On the way home, Cai Zemin rode in his campaign car and saw this candidate for Congress carry out propaganda by all means, which cost a great deal of money. This American friend told him that each minute of TV advertisement would cost him over \$10,000. In order to run for a second term, an incumbent President has to spend more than half a year to solicit votes by making speeches in all parts of the country.

Cai Zemin said with deep feeling: I found that some people can be elected President or congressman just because they are supported and backed by many rich men with the necessary money. The entire election system is based on dollars, and all campaigners represent the interests of various financial groups. After taking office, they only serve the interests of and seek benefits for these groups. How much democracy and freedom can there be? The democratic system in the capitalist countries is, in essence, a ruling form of the bourgeoisie and only serves the capitalist private ownership system.

The former ambassador said that bribery and other irregular practices often occur in American politics, and sometimes there are also incidents of political assassination. Since the founding of the United States, a number of incumbent presidents have been killed by assassins hired by their political rivals, but which case has ever been clearly investigated and cracked?

In the 4 and 1/2 years, Cai Zemin visited more than 30 states and gave more than 100 lectures and speeches to the American people. He knows the American people very well and knows the American way of life very well.

He said: The United States has always flaunted its freedom of speech. On the surface, there is complete freedom of the press in the United States, the large number of newspapers and magazines are always briskly arguing with each other. In fact, newspapers and magazines have clear standards for selecting or rejecting items to publish. For example, the Communist Party in the United States is a legal party, but what newspaper in the United States has ever published news about the Communist Party? American newspapers do not allow any propaganda or speeches that would change the capitalist system. All American newspapers and magazines represent the interests of financial groups. After the Watergate incident involving Nixon was exposed, the newspapers published many comments. It seemed that they were voicing their respective opinions freely, but in fact they just represented the positions of different parties and factions. Not long ago, the American press gave much publicity to the Chinese students' demonstrations and published a lot of detailed reports. Some of these reports were used to sow dissension. They only hoped to see more trouble in the communist countries. In fact, there are demonstrations in front of the White House every day. Why do they turn a blind eye to these and seldom report them? Obviously, news reports in the United States are tendentious.

On the other hand, the U.S. Government simply turns a deaf ear to various criticisms of public opinion. For example, the government's policy of developing nuclear weapons and expanding armaments for war preparations, including the "Star Wars" plan, is opposed by the general public and some congressmen, but the government never listens to such criticism and insists upon these policies and plans. As another example, the financial budgets of the Reagan administration, which have cut welfare and educational expenditure each year, are very unpopular, but this issue cannot be solved either. There is merely some controversy in the newspapers.

Cai Zemin said that some people think that Western democracy means that all people can do whatever they like. However, this is not the case. In the United States there are often demonstrations. However, the government imposes various restrictions on such demonstrations. Before demonstrations are held, the organizers must first inform the police of the time, place, route, number of people, and purpose of the demonstrations and must first obtain approval. During the demonstrations, people are watched by the police, who carry clubs to maintain order on the two sides of the ranks. If any people move across the police cordon or take any action to affect public order or impede traffic order, the police use their clubs mercilessly and even arrest people.

U.S. POPULATION GROUP HEAD SUPPORTS PRC POLICY

OW150813 Beijing XINHUA in English 0253 GMT 15 Mar 87

[Excerpts] Washington, March 14 (XINHUA) — U.S. Population Institute President Werner Fornos tonight defended China's population policy and urged the U.S. Government to resume funding the United Nations Fund for Population Activities (UNFPA).

Addressing an awards banquet of Californians for Population Stabilization in San Francisco, Werner Fornos said if China had not reduced its birth rate from the 1960 average of six children per family to its current 2.2 children, "it would be facing a total population of 2 billion by the year 2000. Even more incredible, it would be expecting 5.2 billion people by the year 2025." [passage omitted]

Fornos pointed out the State Department of the United States recently concedes in a report that "Chinese family planning officials have reiterated that the Chinese Government does not condone forced abortions or sterilizations, but admit that coercion, even though counter to official policy, does occur in some instances."

"In 1986, high level Chinese officials spoke out publicly against coercive practices and abuses in population control work, and it seems that the incidence of such cases has lessened," the report says.

While the State Department concedes that isolated cases of coercive abortion occur in China, nowhere in the report does it indicate even a t. in shred of evidence that these are sanctioned or condoned by the Chinese Government, Fornos said.

Fornos quoted a Chinese official as saying that while instances of prostitution and child abuse in the United States are not regarded as examples of official U.S. policy, neither should cases of coercion in China be confused with official policy. Fornos said if the State Department human rights report on China is accurate, the United States should immediately resume its contributions to the UNFPA.

TA KUNG PAO DISCUSSES SOVIET PACIFIC POWER

HK150548 Hong Kong TA KUNG PAO in Chinese 15 Mar 87 p 2

["Review of the Week" column by Kung Yao-wen: "The Soviet Union Projects Its Power Into the South Pacific"]

[Text] The Soviet Foreign Affairs Minister's First Visit to Australia [subhead]

Soviet Foreign Affairs Minister Shevardnadze visited Australia in Oceania, and Thailand, Indonesia, Laos, and Cambodia (Phnom Penh) in Southeast Asia from 2 to 13 March, leaving Hanoi for home on the 13th. What were the gains and results of this trip?

On the face of it, his aim in making this trip was to win over Australian cooperation, strengthen mutual understanding and exchanges, and open up new fields in Soviet-Australian relations. However, the actual results were the opposite of what was wanted. Against a background of lavish entertainment, Australia was highly vigilant against the Soviet foreign minister. There was a great deal of guesswork and apprehension regarding his first visit as a representative of "the bear" to Oceania.

"Welcome" for an Uninvited Guest [subhead]

That Shevardnadze chose Australia as the first step on his southward journey suffices to show the Soviet Union's intense interest in Australia. As he is also the first top-level Soviet official to visit Australia, the Australian Government could not but attach more importance than usual to the visit.

Australian Foreign Minister Hayden spoke on 6 March about the Soviet foreign minister's visit, bluntly warning that this visit illustrated the fact of "the Soviet presence in the South Pacific. This is something to which Australia must pay full attention."

In other words, "the wolves have come!"

For a long time, as the United States and the Soviet Union have fought many rounds in their contest for world hegemony, Australia, New Zealand, and other South Pacific countries have stood aside and resolved not to join in. However, the harsh reality is that the Soviet Union is indeed now steadily advancing into the South Pacific, and no matter how the Australian Government may not welcome in its bones this "guest from the north," it can hardly fail to accept a visit from the Soviet foreign affairs minister, because the "guests from the north" have gained the strategic naval and air bases of Cam Ranh Bay and Danang, the Soviet Union has a powerful Pacific fleet, and Moscow has styled itself as an "Asian-Pacific country." Since this is so, it inhabits the Asia-Pacific region as Australia does.

A new factor causing unease in Australia is that, the year before last, the Soviet Union found Kiribati (formerly the Gilbert Islands), a tiny speck on the map in the South Pacific, northeast of Australia, and the two signed a "fishing cooperation agreement." Australians believe, however, that the Soviet Union is searching for a naval base in the South Pacific, and such a notion causes them great apprehension. Regarding this, Shevardnadze indicated repeatedly that the Soviet Union had no intention of establishing any military base or any facilities that could have a military use on Kiribati; the Soviet aim was purely to develop fisheries and commerce.

Finding Another Cam Ranh Bay [subhead]

However, the Australian press bluntly pointed out: "The entry of Soviet power into Kiribati is like gaining another Cam Ranh Bay; both of them are permanent." Another cause of unease in Australia is the fact that the United States has set up in Australia early warning antimissile reconnaissance radar and a communications station using ultra-long wave to contact nuclear submarines. Due to the existence of these two U.S. facilities, Soviet submarines and surface warships often creep up to the Australian coast to monitor the U.S. communications stations.

Although during his Australian visit Shevardnadze frequently expressed a desire to expand economic and trade ties and invited the Australian prime minister to visit the Soviet Union, Australian public opinion as a whole remains skeptical about the new policies following Gorbachev's assumption of power. In particular, public opinion is extremely unhappy over the Soviet establishment of ties with Tonga and Kiribati, which are close to Australia. In addition, during Shevardnadze's 3-day stay in Australia, daily anti-Soviet demonstrations were held by Australian Jews and refugees from Afghanistan protesting against Soviet suppression of human rights. Thus, Australia and New Zealand in the southern hemisphere keenly feel the penetration of Soviet power into the Pacific.

The situation would have been a bit quieter had Shevardnadze not gone to visit Australia. His visit actually caused ripples, with people trying to guess the Kremlin's intentions.

Since New Zealand quarreled with the United States by refusing to allow U.S. nuclear ships into its ports, Australia has relied on the ANZUS Pact with the United States to preserve a kind of alliance in the South Pacific. Now a Soviet foreign minister has come to project Soviet power into the South Pacific. Affairs in this region will become even more delicate in the future.

LIAOWANG VIEWS ECONOMIC REFORM IN SOVIET UNION

HK170750 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 10, 9 Mar 87 pp 26-27

[Article by Wang Chongjie (3769 1504 2638): "The Course of Reforms in the Soviet Union"]

[Text] The reform that has been introduced into the Soviet Union is now entering a new stage of development in depth and width. This is great progress that the country has made in the past 2 years in upholding the guidelines of reform and in constantly overcoming various obstacles.

It is not long since the Soviet Union has made up its mind to introduce the reform. Gorbachev took up the post of general secretary of the CPSU Central Committee in March 1985. It was only after his rise to power that the proposal on speeding up social and economic development and reforming the economic structure was seriously put forth at a plenary session of the CPSU Central Committee held in April of the same year. The 27th CPSU National Congress held in the spring of 1986 laid down the "strategy on speeding up social and economic development" and the "basic guidelines on introducing a thorough reform of the economic mechanism." After the 27th CPSU Congress, the CPSU Central Committee and the Soviet Government successively adopted a series of resolutions, constantly expanded the scale of experimental reforms, popularized step by step the reform measures that had been proved effective, and actively explored the specific approaches for further reform. [paragraph continues]

They also publicized the urgency and important significance of reform through the analysis of long-standing serious problems in the economic sector and other aspects of social life, and a number of cadres who resisted or failed to keep up with the reform were removed from their posts. In brief, by the end of 1986, the Soviet Union's reform was basically in the stage of overall preparations, or in the "preliminary stage."

Since January of this year, relatively large-scale reforms have been introduced into all sectors of the national economic in accordance with some resolutions adopted by leading Soviet party and government organs last year. A special plenary session of the CPSU Central Committee "on the reform and the party's cadre policy" was held on 27 and 28 January. This plenary session has provided a new motivating force for the development of the reform in depth and width, theoretically and practically, and in terms of the economic and political structures, as well as policy-making and cadres appointment.

In the Soviet Union, the introduction of a reform of fundamental importance is a very incisive, complicated, and difficult process. It was when the reform encountered great obstructions that the plenary session of the CPSU Central Committee was held. In his report given at the plenary session, Gorbachev said: "Progress in our efforts to achieve a turn for the better has been slow. The reform is even more difficult than we have anticipated, and those long-standing social problems have even deeper roots than we expected." He pointed out: For years in the past, "because of some objective reasons, the CPSU Central Committee and state leadership failed to fully evaluate in good time the necessity of the reform and the growing danger of social crises." "The conservative mentality, inertia, and the tendency of ignoring anything incompatible with existing habits and of being unwilling to solve urgent social and economic problems, have dominated the formulation and implementation of policies." "All these have had a serious influence on the economic, social, and spiritual fields." He also pointed out in particular: "To a very large extent, our theories and conceptions on socialism still remain at the level of the 1930's and 1940's." Modes that have taken shape in practice are taken as absolute truth, while some outmoded concepts are regarded as dogma. All these have finally formed a whole mechanism which "hinders social development, progress, and transformation." He emphasized that it is necessary to "introduce a real, revolutionary, and comprehensive reform of society," and that cadres' attitudes to reform and the acceleration of social and economic development are the "decisive criterion for the policy toward cadres."

The above CPSU Central Committee plenary session has more clearly shown the party's determination in reform. The resolution adopted by the plenary session emphasized: "It is necessary to unswervingly implement the set guidelines," "and to ensure that the ongoing reform will be irreversible." The plenary session has also further defined the guideline, tasks, and measures of the current reform.

As far as the economic structure is concerned, the reform that is unfolding is of a considerable scale.

-- In order to introduce a comprehensive administrative structure for the national economy, some economic branches which are maintaining closer relations among each other have been grouped to form economic combinations, and some corresponding standing organs have been set up under the USSR Council of Ministers to administer these economic branches. [paragraph continues]

Organs that have been established in this way so far include the State Agricultural and Industrial Committee, the Machine-Building Administration, the Fuel and Energy Comprehensive Administration, the Computing and Information Committee, the State Construction Committee, and the State Foreign Economic Relations Committee. Documents are being drawn up on the improvement of the functions of central economic organs, ministries, and competent departments under the new economic mechanism.

-- The industrial sector is now shifting from the stage of general expansion of enterprises' decisionmaking power to the stage of introduction of the system of practicing overall economic accounting, assuming full responsibility for all profits and losses, and raising funds independently. The experiment on expanding enterprises' decisionmaking power and enhancing their sense of responsibility had been introduced into many enterprises which make up 50 percent of the country's total industrial output value. From the beginning of this year onward, some economic devices that have been proved effective through experiment are to be introduced in all industrial enterprises throughout the country. In light of the experiment conducted by the Volga Automobile Plant and (Sumi) [5685 1378] Machine-building Plant, from early this year, all the enterprises subordinate to the Soviet Ministry of Chemical and Petroleum Machine-building, the Ministry of Light Industry, and three other ministries and some selected enterprises belonging to other industrial branches will implement the system of practicing full economic accounting, assuming full responsibility for profits and losses, and raising funds on one's own. The output value of all these enterprises makes up around 20 percent of the country's total industrial output value. On the other hand, the collective contracting system will be vigorously popularized among workshops, sections, and working teams within enterprises.

-- In the agricultural sector, centralized administrative committees of agricultural and industrial integrated bodies will be set up at all levels to expand enterprises' decisionmaking power, and they will mainly be operated by economic means. The original Ministry of Agriculture, Ministry of Fruit and Vegetable Growing, and four other ministries have been grouped together to form the new State Agroindustrial Committee. Some other ministries and committees which are closely linked with agriculture have also been put under the State Agroindustrial Committee's leadership or are required to operate in coordination with the committee. This measure has not only substantially streamlined the organizational structure but also raised efficiency. Similar reorganization has also been effected and agroindustrial committees have been established accordingly in all union republics and regions. The decisionmaking power of collective farms and state farms has been expanded -- the state only sets a constant procurement quota of grain and other major farm products on a 5-year plan basis in light of their specific conditions, while other problems are to be tackled by agricultural enterprises on their own. Agricultural enterprises which have fulfilled the procurement quotas of agricultural and animal products are entitled to dispose of their surplus products on their own, they are also allowed to sell through cooperatives or free markets 30 percent of their potatoes, fruits, and vegetables that they are required to produce according to the state plan. The procurement prices of grain can be raised by 100 percent if an agricultural enterprise has fulfilled its annual quota of sale of agricultural products to the state and if the amount of sale to the state exceeds the average level of sale volume recorded in the 5 previous years. The procurement prices of grain can still be raised by 50 percent even if an agricultural products to the state, provided that the amount of sale to the state exceeds the average level of sale volume recorded in the 5 previous years. The income of an agricultural enterprise and individuals is determined by the final output of production management, while the amount of wages and bonuses for leaders and specialists working with agroindustrial integrated bodies at the regional and district level is to be linked to the amount of sale of agricultural products. A contracting system for operational teams or groups and a contracting system on the household basis are to be actively introduced in collective farms and state farms.

-- In the commercial sector, after experiments were initiated in 170 commercial units, the new management system of practicing full economic accounting, assuming full responsibility for all profits and losses, and raising funds independently has been introduced in the commercial sector as a whole since early this year.

-- In the scientific and technological field, some important measures have been taken to reform the organizational administration over scientific and technological work, to effect integration of science and production, and to establish transdepartmental scientific and technological bodies. Efforts have been made to strengthen the comprehensive planning and long-term planning of scientific and technological research and to organize scientific and technological personnel to tackle key problems and work in closer cooperation in the interests of rapid social and economic development. The principle of integration of science and production has been implemented, a large number of research institutes under various ministries and committees have been reorganized, and most of the research bodies that used to be divorced from production have been merged into science-production joint companies or production joint companies. A total of 20 transdepartmental scientific and technological integrated bodies, including those for welding, rotor production lines, robot production, personnel electronic computers, laser technology, optical fibers, biological genetic engineering, and catalysis, have been set up, helping to remove the barriers between different departments and concentrate human and material resources on important scientific and technological projects. These integrated bodies are organizations incorporating scientific research, design, and trial production. They engage in and coordinate basic and applied research, as well as design and technological development. They apply scientific achievements to trial production or small-scale batch processing to find the optimal technological process and make proposals for the speedy popularization of these scientific achievements in various economic sectors. A rigid scientific and technological personnel assessment system has been introduced, under which scientific and technological personnel are to be promoted, demoted, or dismissed in light of the scientific standard and applied value of the scientific research projects that they have completed.

-- As far as education is concerned, the outline for the reform of tertiary and technical secondary education published last summer provided: "The close integration of tertiary and technical secondary education with production and scientific research" is the most important orientation and the basic lever for the reform. Importance has been attached to the intensive training of professionals, efforts are to be made to improve the quality of training for cadres and the efficiency of employment of cadres, and relations regarding economic interests between institutes of higher learning and economic sectors are to be strengthened. The reform of grammar schools and vocational schools is being carried out. As a result of this reform, every graduate of a senior secondary school will master a basic vocational skill, while all graduates of technical secondary schools will reach an educational standard equivalent to senior secondary education.

-- With regard to capital construction, last September, the CPSU Central Committee and the Soviet Government adopted a "Resolution on Further Improvement of Administration Over the State Construction Integrated Body," according to which the State Construction Committee, with its competence expanded, is to become the standing organization under the Council of Ministers to exercise centralized leadership over construction of the country. Another resolution on perfecting the economic mechanism regulating capital construction was also adopted, according to which all construction units are to implement group by group the system of practicing full economic accounting, raising funds independently, and assuming full responsibility for profits and losses.
[paragraph continues]

From this year on, all capital construction units will have to implement a project contracted price system which will stress the responsibilities of both the contract offering party and the contractor and ensure that projects will be put into operation as scheduled.

-- With regard to material supply, from January this year, production means will be supplied to more than 10,000 consumers through wholesale trade. These enterprises can order what they need (except particularly sophisticated machinery) at any time in any amount from local administrative offices of the material supply committee. At the same time, direct and long-term ties are to be further expanded between the producer and the consumer on a contract basis. Such relatively stable lateral ties which are advantageous to both sides are free of many shortcomings of the past material allocation system.

-- With regard to bank credits, repayable loans granted by banks are to gradually replace free financial appropriation in the form of state budget. Meanwhile, some measures have been adopted to ensure that loans will play a role in pushing enterprises to improve their management as well as speeding up progress in science and technology.

-- With regard to the wage system, a new labor remuneration method is to be implemented in productive sectors. This will involve two-thirds of the 75 million employed laborers in the country. The new wage system will better display the principle of remuneration according to work and that of full economic accounting. According to this system, the state is to appropriate to enterprises a certain quota of funds to make up their wage funds. Enterprises with more revenue will have larger wage funds which can be used to raise the wage level of some or all staff members. In the past, the main procedure to increase wages was to increase the state budget. According to the new system, the funds that are needed to effect the increase in wages are to be raised by enterprises on their own. Thus, enterprises are required to improve their management, raise their labor productivity, readjust labor quotas, and use less labor to accomplish more work. In the reform of the wage system, the proportion of basic salary in the staff's total income will be raised; the gap in wage standard between skilled and non-skilled workers will be widened; the wage standard for engineers and technicians will be raised substantially; and the reward system will only be used as a means to encourage the staff to strive for the optimal production outcome.

-- With regard to foreign economic relations and trade, some new forms and approaches have been adopted. The CPSU Central Committee and the USSR Council of Ministers have decided to authorize 22 ministries and 70 large integrated complexes and enterprises to directly deal in import-export trade, including doing business with capitalist countries and developing countries. All these ministries and enterprises will also set up their own foreign trade companies practicing a full economic accounting system. Departments and enterprises that fulfill the corresponding requirements will be gradually vested with the same power as well. It has been decided to develop economic ties in various forms with business firms of capitalist countries -- such projects as cooperation in production and in scientific and technological research, the establishment of joint ventures, and so on, will be started. Recently the departments concerned of the Soviet Union have held talks with representatives of some Western companies on the possibility of cooperation in these fields. At the same time, the Soviet Union and other members of CEMA are working together to shift their attention from the maintenance of trade relations as their major cooperation form to a kind of closer cooperation in the productive, scientific, and technological fields. Direct links between different enterprises and between different departments have been expanded, and various bilateral or multilateral joint companies, design bureaus, and laboratories have been set up.

-- As far as the improvement of product quality is concerned, 1,500 key industrial enterprises are to be covered by a state-operated product quality inspection system from this year on. According to this system, products that have passed an enterprise's quality inspection are subject to a reexamination by the state, and products will not be allowed to be marketed if they fail to meet the state quality standard.

-- With regard to the private sector, an "Individual Labor Law" adopted last year by the USSR Supreme Soviet allows people to engage in service and productive trades on a self-employed basis and operate private and household enterprises. Unreasonable restrictions effective in the past have been lifted.

-- As far as the ownership by the whole people is concerned, a draft of the "State-owned Enterprise (Joint Company) Law" was released on 8 February this year for nationwide discussion. This important law will change once and for all the operational conditions and methods for basic economic links, integrate the principle of planned operation with the system of full economic accounting, the self-decisionmaking power, and the sense of responsibility, and bring democracy into full play by vesting the staff congresses and committee of labor collectives with the full right of operating production, handling social affairs, and solving problems concerning cadres. So long as this enterprise law is implemented to the letter side by side with a whole set of measures currently practiced in the economic field, a new situation is likely to emerge in the national economy as a whole.

-- As far as the collective ownership is concerned, a principle has been emphasized, namely, it is necessary to actively support cooperatives in urban and rural areas and to provide conditions favorable to their development. Preparations are being made for holding a congress of staff representatives of collective farms which is to revise the sample constitution for collective farms in light of the actual needs.

It has been brought to people's attention that the Soviet Union's economic reform has influenced the cultural field in the country. From early this year on, more than 60 opera houses in 8 union republics have launched an experiment to expand their decisionmaking power, which will allow them to set their programs and select operas on their own. The reform to be introduced in the film circles will also give full play to film studios' decisionmaking power and stress the importance of the economic accounting system. The literature and publication circles have also called for a reform of many unreasonable systems and the elimination of dogmatism.

With regard to the political structure, it is emphasized that it is necessary "to update socialist democracy and to develop popular autonomy, "in order to enrich the work of the party, the Soviet, state organs, and mass organizations with profound democratic content and to reinvigorate all the cells of the social organism." At the January plenary session, Gorbachev pointed out: It is necessary to improve the election system; to strengthen the masses' supervision over leaders at all levels, from the grass roots up to the central level; to carry forward the principle of openness [gong kai xing yuan ze 0361 7030 1840 0626 0463], and to make it possible for the laboring people to voice their views on any issue concerning social life. But people still have to wait to see how all these will be realized.

By and large, a reform has been initiated in the Soviet Union. It has become a fact, and it has already brought about some positive changes in the economic and social life. Gorbachev pointed out: "Reform does not mean strolling around on a smooth road. Instead it is like climbing a hill"; "and we are going to take up some most important tasks ahead of us." [paragraph continues]

At the same time, it is believed that the reform has won "strong support" among the laboring people, the party, and economic cadres; "the people are supporting the reform;" and this is the very guarantee of the "full completion of the reform process that has already unfolded."

ROUNDUP VIEWS OBSTACLES TO REFORMS IN USSR

OW171336 Beijing XINHUA in English 1329 GMT 17 Mar 87

["Roundup: Though Gorbachev's Reform Broadens, Obstacles Remain (by Wang Chongjie)" -- XINHUA headline]

[Text] Beijing, March 17 (XINHUA) -- The Soviet Union's economic reform, driven by top leader Mikhail Gorbachev, has entered a new and vital stage, though strong resistance to the changes remain.

Gorbachev has said the Soviet Union has no other option but to reform its economic and social life.

One month after taking office as the Soviet Communist Party general secretary, Gorbachev stressed at a party Central Committee plenum in April 1985 the need for a reorganization of the country's economic system in order to boost sluggish economic growth.

Ten months later, the 27th party congress, chaired by Gorbachev, formally set the guidelines for advancing economic growth on the basis of a reform of the economic system, which the late General Secretary Yuriy Andropov attempted when he began experiments on increasing self-management power in industrial enterprises.

Gorbachev's comprehensive reform now fully underway in the Soviet Union has already brought clear changes:

-- As a main step to improve the country's economic management system, groups of government ministries or departments of inter-related industries have been merged into multiple-responsible organs, including, for example, the state Agro-industrial Committee and the State Committee of Computer Technology and Information;

-- Beginning this year, a new economic management system, meaning genuine cost-accounting, self-financing and self-support, has been introduced in all enterprises under the five key central industrial ministries and 36 other large enterprises, which together account for 20 percent of the total industrial output. At the same time, all other industrial enterprises have been given greater decisionmaking power;

-- In agriculture, unified management bodies of the agro-industrial complex have been established both in central [as received] and in localities, while the government has given teams and households the green light in implementing the contract responsibility system. Beginning this year, genuine cost-accounting, self-support and self-financing is being practiced in 23 percent of the country's state and collective farms, which can sell 30 percent of their products above the state quota directly to the market;

-- A new business system covering the genuine cost-accounting, self-financing and self-support was also introduced in all commercial departments this year;

-- The decentralization of power has begun in the Soviet Union's foreign trade, giving over 22 ministries and 70 major companies and enterprise greater freedom to do business with capitalist countries so as to increase exports and quicken the advancement of science and technology;

-- To integrate research institutes with enterprises to improve productivity and the technological innovation, over 20 large units of the scientific-industrial complex have been set up and scientific research work is being watched for possible industrial application;

-- Measures have also been taken to readjust the pricing, financing, crediting and wage systems and to improve the quality of goods.

To back the reform, the Supreme Soviet passed "the Individual Labor Law" last November, encouraging private businesses such as family-run shops, cafes and even gypsy taxis.

In addition, a special law was adopted five weeks ago giving greater freedom to efficient enterprises and the means for closing inefficient ones.

While the reform is spreading nationwide, it is also coming up against resistance by officials at various levels of government who fear the reforms will lead to a loss of privilege and possibly even jobs.

Most of those who are half-hearted or opposed to Gorbachev's reforms are middle-ranking officials. They are saying publically they support the changes, but privately they are instructing subordinates to continue doing things the old way. Enterprise managers may be the most resistant to changes as they are afraid to operate independently, without instructions from above.

Gorbachev sharply criticized former leaders at a party Central Committee's plenum in late January, originally scheduled last autumn, for "conservative sentiments and inertia" in the late 1970s and early 1980s which "did much economic and social harm" to the country.

The Soviet leader told the meeting, aimed at invigorating the ongoing reform, that it was necessary to reconsider some theoretical issues such as the commodity-money relations and the system of ownership, stressing the need to break with outmoded dogmas.

The officials' attitude to economic and social reform was described by Gorbachev at the meeting as the "decisive criterion" in the country's personnel policy, under which non-party people might be raised to leading posts.

Calling for more democracy and openness to ensure the successful development of economic reform, Gorbachev signalled the need to change the election procedures of factory and farm leaders and primary party secretaries and to strengthen control "from below."

During his February tour of the two Baltic Republics, Latvia and Estonia, where the economy is described as much brisker than in other parts of the country thanks to its liberal economic policies, Gorbachev appealed for mass participation in the reform.

He said the reform, which will face its most difficult period over the next two or three years, was "no stroll along a well-beaten path but an ascent often through wilderness," and there was no turning back.

PRC, USSR RATIFY CONSULAR TREATY OF 1986

OW190254 Beijing XINHUA in English 0245 GMT 19 Mar 87

[Text] Moscow, March 18 (XINHUA) -- China and the Soviet Union exchanged here today instruments of ratification of the new Sino-Soviet consular treaty.

The treaty, signed September 10, 1986, in Beijing, will come into effect 30 days from today, or April 16, to replace the consular treaty signed June 23, 1959.

The instruments were signed by Chinese Ambassador Li Zewang and Soviet Vice Foreign Minister Igor Rogachev.

MOSCOW GATHERING HONORS WRITER DING LING

OW181050 Beijing XINHUA in English 1040 GMT 18 Mar 87

[Text] Moscow, March 18 (XINHUA) -- An evening party in memory of Ding Ling, a leading Chinese woman writer, was held here Tuesday.

Ding died March 4 last year at the age of 82.

In the party, co-hosted by the USSR Union of Societies for Friendship and Cultural Relations With Foreign Countries, and the Soviet-Chinese Friendship Society, a Soviet scholar introduced Ding's life and some of her works.

V. Adjimanudova, a senior research fellow of the Institute of Orientology of the Soviet Academy of Sciences, said: "Ding Ling's life shows that she has set a good example of how to serve the people and revolutionary cause."

Ding wrote about 300 novels, short stories, plays and essays since 1927. "Mrs Shafei's Diary," published in 1928 to voice Chinese women's depression at that time, established her as a writer.

"Sun Shines Over the Sanggan River," her novel published in 1948 that won the Stalin Literature Prize in 1951, tells of the Communist Party land reform in north China, and has been translated into Russian, English, French, German, Japanese and other languages.

I. 19 Mar 87

PRC INTERNATIONAL AFFAIRS
NORTHEAST ASIA

D 1

SHANDONG GOVERNMENT DELEGATION LEAVES FOR JAPAN

SK180720 Jinan Shandong Provincial Service in Mandarin 2300 GMT 17 Mar 87

[Text] The seven-member Shandong provincial government delegation headed by Governor Li Changan left Beijing Municipality for Japan on 17 March for a friendly visit.

Since the establishment of friendly relationship between Shandong Province and Yamaguchi, Wakayama Prefecture, both sides have achieved a steady development in friendly contacts and cooperation. In order to further promote their mutual friendly contacts and to deepen their friendship and cooperation, the provincial government delegation, at the invitation of Yamaguchi, Wakayama, and Tokyo Prefectures and Osaka City, left for Japan for a friendly visit.

The provincial government delegation is composed of responsible comrades of the provincial Planning Commission, the provincial Economic Commission, the provincial Commission for Economic Relations With Foreign Countries, the provincial Foreign Affairs Office, and the provincial Tourism Bureau.

During their stay in Japan, the delegation will make extensive contacts with people of various social circles in Japan by paying visits and making observation tours, and will further promote the development of mutual friendship.

The provincial government delegation left Jinan City for Beijing Municipality on 14 March. On their departure from Jinan City, the delegation was seen off by responsible persons from the provincial departments concerned at the railway station.

TIANJIN MAYOR MEETS JAPANESE AMBASSADOR 17 MAR

SK180728 Tianjin City Service in Mandarin 0030 GMT 18 Mar 87

[Excerpts] Li Ruihuan, mayor of Tianjin Municipality, cordially met with Japanese Ambassador to China Yosuke Nakae and his party at the Kaiyue Hotel on the evening of 17 March. Both parties exchanged views on further developing economic cooperation between the municipality and Japan.

While answering questions put forward by Ambassador Yosuke Nakae, Mayor Li Ruihuan said: No changes will take place in China's policies of reform and opening to the outside world. (? No countries can go against the trend of opening to outside places) since science, technology, and the economy are continuing to develop at present. Our experience is that the policy of opening China to the outside world conforms to the interests of the Chinese people through the implementation of policies over the past few years. Thus, we must not go against the aspirations of the people. Opening to the rest of the world is one of the Marxist principles. [passage omitted]

Ambassador Yosuke Nakae stated that he completely agreed with Mayor Li Ruihuan's opinions. He has full confidence in developing economic and technological cooperation between China and Japan and places high expectations on the cooperation between Tianjin and Japan. He pledged to [words indistinct] to promote the development of economic and technological cooperation between Tianjin and Japan.

1. 19 Mar 87

C H I N A
PRC NATIONAL AFFAIRS

K 1

BEIJING REVIEW TO FEATURE DENG XIAOPING OPINIONS

'Major Error' of Hu Yaobang

HK190416 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0306 GMT 19 Mar 87

[Text] Beijing, 19 Mar (ZHONGGUO XINWEN SHE) -- Deng Xiaoping said that the ideological trend of bourgeois liberalization has persisted in China in recent years. Although he himself has stressed on many occasions that attention must be paid to this problem, the party leadership has not been effective in its actual work. This was a major error by Hu Yaobang, and also the reason why the CPC Central Committee accepted his resignation from the post of general secretary. Deng Xiaoping said this when meeting Zimbabwe Prime Minister Mugabe on 20 January. The remarks are revealed in an article entitled "Deng Xiaoping's Manuscripts Help in Understanding China," to be carried in the forthcoming issue of BEIJING REVIEW. Deng Xiaoping also pointed out that the student unrest fundamentally reflected the weakness of the leadership.

Goals of Political Reform

HK190418 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0305 GMT 19 Mar 87

[Text] Beijing, 19 Mar (ZHONGGUO XINWEN SHE) -- A signed article in the forthcoming issue of BEIJING REVIEW reveals that in his talk with Japanese Prime Minister Nakasone last 9 November, Deng Xiaoping listed three aims in China's political structural reform.

Deng Xiaoping said, these three aims are: 1) To constantly preserve the vitality of the CPC and the state: this is related to reducing the average age of the cadres. 2) To eliminate bureaucratism and improve work efficiency. 3) To mobilize the initiative of the grassroots and the workers, peasants, and intellectuals. Various speeches and remarks delivered by Deng Xiaoping on political structural reform in 1986 are included in the revised and enlarged edition of Deng Xiaoping's "Building Socialism with Chinese Characteristics," which will be published soon. Deng Xiaoping pointed out that unless the political structure is reformed, we cannot guarantee the results of economic reforms, bring socialist democracy into full play, and mobilize the initiative of the masses and the grass-roots cadres.

REVISED EDITION OF DENG SPEECHES PUBLISHED

OW190637 Beijing XINHUA Domestic Service in Chinese 0002 GMT 19 Mar 87

[Text] Beijing, 19 Mar (XINHUA) -- A revised and enlarged edition of Comrade Deng Xiaoping's book "To Build Socialism with Chinese Characteristics," which was recently edited by the Party Literature Research Center of the CPC Central Committee and published by the People's Publishing House, will be distributed by XINHUA Bookstores across the country beginning 20 March.

"To Build Socialism With Chinese Characteristics," when first published in December 1984, contained 22 speeches made by Comrade Deng Xiaoping since the 12th CPC National Congress. The revised and enlarged edition has increased the number of his speeches to 44 to include his manuscripts written as recently as January of this year. Some of them were for internal use, and have been published for the first time. All manuscripts have been examined and approved by Comrade Deng Xiaoping personally.

A prominent aspect of the contents of the newly added manuscripts is the adherence to the four cardinal principles and the combatting of bourgeois liberalization. Comrade Deng Xiaoping points out: The ideological trend of bourgeois liberalization has existed in recent years. To advocate liberalization means to deviate from the party's leadership and misguide China onto the capitalist road. Without a thorough awareness of this, some of our comrades have failed to assume a firm attitude to combat bourgeois liberalization. We must make determined efforts to uphold the four cardinal principles and take a clear-cut stand to combat bourgeois liberalization. The struggle against liberalization will continue for a long time to come. Exposition of this aspect is reflected mainly in "To Advocate Bourgeois Liberalization Is To Take the Capitalist Road" (May and June 1985), "Speech at the National Conference of Party Delegates" (23 September 1985), "Speech at the 6th Plenary Session of the 12th CPC Central Committee" (29 September 1986), and "Take a Clear-Cut Stand in Combatting Bourgeois Liberalization" (30 December 1986). Included in the revised and enlarged edition is also Comrade Deng Xiaoping's speech at the 2d Plenary Session of the 12th CPC Central Committee on 12 October 1983. The speech emphatically points out that the ideological front must not promote spiritual pollution, and urges fighters in the ideological front to hold aloft the banner of Marxism and socialism; to educate and guide the people in correctly dealing with history, understanding realities, and firmly trusting socialism and the party's leadership; and to encourage the people to strive heroically for the magnificent undertaking of socialist modernization.

Another important aspect of the contents of the newly added manuscripts is adherence to the policy of reform and opening to the outside world. In these manuscripts Comrade Deng Xiaoping time and again mentions the importance and need of reform and says that our open policy is correct and will not change. His two talks with foreign guests last January, "Remove Interference and Firmly Implement the Reform and Open Policy" and "Strengthen the Education in Upholding the Four Cardinal Principles and Adhere to the Reform and Open Policy," explain repeatedly that opposing bourgeois liberalization will not affect the reform and open policy, and that conducting education in upholding the four cardinal principles is a basic guarantee for the smooth implementation of the reform and open policy. The revised and enlarged edition of the book also includes numerous talks made by Comrade Deng Xiaoping since 1986 on the reform of the political structure. They include "A Talk When Briefed on the Economic Situation," "Reform the Political Structure, Enhance the Concept of the Legal System," "Failure To Reform the Political Structure Will Impede the Development of Productive Forces," "Political Structural Reform Needs a Blueprint," "Conduct Political Structural Reform on the Basis of Our National Conditions," and "Some Ideas About Political Structural Reform." These talks represent a series of expositions on the significance, goals, details, methods, and measures of the reform of the political structure. He emphasizes that without reforming the political structure, we cannot safeguard the fruitful results of economic reform, carry forward socialist democracy to the full, and arouse the initiative of the masses of people and of units at the grass-roots level. At the same time, he points out the complex and arduous nature of political structural reform, saying that this reform requires both boldness and prudence. These talks of Comrade Deng Xiaoping point out the correct orientation of China's political structural reform.

All manuscripts for this book expound on the question of building socialism with Chinese characteristics by proceeding from the concrete situation in our country. They have a very distinct and realistic objective, reflect the basic viewpoints and propositions consistently advocated and adhered to by Comrade Deng Xiaoping, and elaborate comprehensively and penetratingly on the line we have implemented since the 3d Plenary Session of the 11th CPC Central Committee. Study of this volume of Comrade Deng Xiaoping's works will play a significant role in, and have a far-reaching effect on, guiding our socialist modernization drive and overcoming the obstacles in the way of our advance.

NPC SESSION DISCUSSES PARTY ROLE IN ENTERPRISES

OW181730 Beijing XINHUA Domestic Service in Chinese 1302 GMT 18 Mar 87

[Text] Beijing, 18 Mar (XINHUA) -- The 20th session of the 6th NPC Standing Committee held joint group meetings on 16, 17, and 18 March. The joint group meetings further examined and discussed the drafts of the Organic Regulations for Villagers' Committees and the State-Owned Industrial Enterprise Law.

Chairman Peng Zhen addressed the 18 March meeting.

During the discussion, the Standing Committee members held that the Organic Regulations for Villagers' Committees is a very important law concerning 800 million peasants. To organize villagers' committees well and make the 800 million peasants manage their own affairs in a democratic way, according to law, is conducive to promoting rural construction. This is an important step in building socialism with Chinese characteristics.

At the 3-day joint group meetings, the Standing Committee members seriously examined the draft of the State-Owned Industrial Enterprise Law, and discussed questions concerning the role of plant directors in the enterprises, the establishment of enterprise policy-making bodies, and the role of enterprise party organizations.

Some Standing Committee members said: It is an important reform to change the system of the director assuming responsibility under the leadership of the party committee into the system of the director assuming full responsibility. In order for this new system to continue and to become better and better, we should create conditions that allow the plant directors to concentrate on directing the production of enterprises and managing the enterprises.

Some Standing Committee members pointed out: The system of the directors assuming full responsibility is designed for the directors to assume full responsibility in directing the production of enterprises and in managing them. The law should stipulate a basic form of major policy-making process for the enterprises, but should not demand "uniformity."

Many Standing Committee members held that the Enterprise Law should contain stipulations on the role of party organizations in enterprises, uphold the four cardinal principles, strengthen ideological and political work, and ensure a socialist orientation of enterprises. Other members held that party leadership over enterprises and the leadership of enterprise party organizations over the enterprises are two different concepts which should not be confused with each other.

In their opinion, it is not necessary for the Enterprise Law to contain any stipulations on the role of party organizations in enterprises, because the decision of the 3d Plenary Session of the 12th Party Central Committee on reform of the economic structure has already clearly and definitely stipulated that the system of the director assuming responsibility under the leadership of the party committee be changed to the system of the director assuming full responsibility, and the leading role of party organizations in enterprises be changed to a guaranteeing and supervisory role.

Those who expressed their views at the joint group meetings included Vice Chairman Zhu Xuefan and Banqen Erdini Qoigyi Gyancan; and Standing Committee members Yang Kebing, Deng Jiatai, Qiu Weifan, Hou Xueyu, Ma Wanqi, He Ying, Mo Wenhua, Liu Jingji, Xu Dixin, Zhou Zhanao, Yang Ligong, Zhang Binggui, Zhao Zhongyao, Wu Heng, Hu Weiwei, and Sun Jingwen. Standing Committee members Song Shaowen and Wang Fu expressed their views in writing.

NEW CPPCC MEMBERS TO FILL VACANCIES LISTED

OW180635 Beijing XINHUA Domestic Service in Chinese 0747 GMT 17 Mar 87

[Text] Beijing, 17 Mar (XINHUA) -- Namelist of 46 members elected at the Fifth Session of the Sixth CPPCC National Committee to fill vacancies.

(Adopted at the 14th meeting of the Standing Committee of the Sixth CPPCC National Committee, in the order of strokes in name)

Dao Shixun [0430 0013 8113], Ma Pinfang [7456 0756 5364], Wang Xijue [3796 6932 3635], Wang Shusen [3769 2885 2773], Bian Bozhong [0593 0130 0112], Fang Yunyu [2455 0061 3842], Jin Dan [0093 2481], Ai-ze-zuo-fu Ha-si-mu [5337 0463 0146 1138 0761 2448 2606], Feng Xiliang [7458 6932 5328], Liu Chun [0491 2504], Jiang Yingyan [3068 5391 1750], An Gang [1344 1511], Sun Boqiu [1327 2672 4428], Sun Yunnian [1327 2672 1628], Yan Dongsheng [0917 2693 3932], Su He [5685 6378], Li Guangxi [2621 0342 5032], Li Peiyao [2621 3099 3852], Li Chuwen [2621 0328 2429], Li Renjun [2621 0086 7410], Wu Xiuping [0702 0208 1627], Wu Shiduo [0702 1709 6995], Yu Zhenzhong [0151 2182 0022], Wang Feng [3076 6912], Zhang Shuying [1728 0647 5391], Zhang Chunnan [1728 2504 3948], Chen Zhongyi [7115 0112 7328], Chen Nanxian [7115 7181 0341], Min Jiangshu [7036 1699 5771], Wu Tie [2976 6993], Wu Lianyuan [2976 6647 0337], Song Bu [2646 1580], Hu Honglie [5170 7703 3525], Tang Xiangjian [0781 5046 0578], Tao Kaiyu [7118 7030 5940], Huang Menghua [7806 1125 5363], Cao Buchi [2580 2975 1062], Cao Keqiang [2580 0344 1730], Sheng Zhongguo [4141 0022 0948], Jiang Jiaxiang [5592 1367 4382], Han Ming [7281 2494], Han Meilin [7281 5019 2651], Han Kehua [7281 0344 5478], Lu Zhizheng [6424 1807 2973], Cai Guangtian [5591 0342 1131], Pan Qiqi [3382 0796 3823].

RENMIN WENXUE ON 'MISTAKE' IN PUBLISHING STORY

HK171340 Beijing WENYI BAO in Chinese 21 Feb 87 p 1

[Article by RENMIN WENXUE Editorial Department: "Serious Mistake, Painful Lesson"]

[Text] In this year's Nos 1 and 2 combined issue of this publication, we published a short story entitled "Show Your Tongue Coating, or Nothingness" by writer Ma Jian. [paragraph continues]

Using the first person account and looking through the eyes of a vagabond and liar, this short story hunts for so-called strange and bizarre events in Xizang. Nowhere does it depict the struggle in the Zang people's new life in the construction of socialism. Instead, it uses a sensationalistic, vulgar, and degrading writing style to deliberately distort the picture of the Xizang region and to vilify the image of Zang compatriots. At the same time, it shamelessly pronounces the despicable psychology of the leading character's indulgence in his longing for the flesh and pursuit of money. This is a so-called "exploratory" work of ridiculous content and degrading style.

Following publication of the journal, the relevant department quickly presented the Editorial Department with serious criticisms on the abominable nature of this short story. We immediately organized a discussion and then began to realize: Publication of such words seriously violated the party's policies on nationalities and on religion; it gravely hurt the feelings of the Zang compatriots as well as the unity of the fraternal nationalities; and it departed from the party's guidelines on the building of socialist spiritual civilization, caused extremely vile influence, and brought about irretrievable losses. This is a major error never before committed in this aspect of the RENMIN WENXUE editorial work.

In the last few days, following the acceptance of criticisms as well as continuous reflection, we have arrived at a deeper understanding of the mistake committed. Particularly after meeting with some Zang compatriots and listening to their criticisms and opinions, we felt even more sorry and ashamed. Owing to our publication of such a bad article, the Zang compatriots felt as if a dagger were struck at their hearts. In spite of their uncontrollable anger, they nevertheless exhibited magnanimity and, proceeding from the interests of the people and the overall interest of national unity, they extended sincere and patient assistance to us. This produced a strong heartfelt impact on us. Their irrefutable analysis cleared our heads, opened our eyes, and made us realize the extent to which this short story in general severely distorts life in Xizang and to which it viciously slanders the image of the Zang compatriots. It made us realize how dirty is the soul of this short story writer. With the cheap mentality of a curious seeker and an ugly, confused understanding of sex, he makes callous concoctions and deceives everyone. He carries out infuriating and unspeakable slander and insult against the dignity of a nationality's culture, history, and religion. This is intolerable to the entire Zang nationality; nor could it be permitted by the other members of our huge multinational family under the leadership of the Communist Party of China.

As a national literary journal, not only did we not strive to reflect the glorious struggle of the Zang people to transform reality, not only did we fail to enthusiastically sing praises of the great unity of our Chinese nation; instead, we allowed such a vile creation to tarnish the blooming garden of socialist literature, and even recommended it in the "editor's note." The seriousness of this mistake is indeed alarming. The principal responsible persons of the Editorial Department deeply felt that they had failed the trust and expectations of both the party and the people. At present, the entire Editorial Department deeply feels the pain of having hurt one's own flesh and blood. With profound remorse, we hereby admit our mistake and offer sincere apology to the Zang compatriots who suffered great humiliation caused by this serious mistake of our journal as well as to other fraternal nationalities and the readers who were so infuriated.

The reasons for this huge error lie not only in loopholes in the work procedures as well as lack of strict rules and regulations, but it was primarily caused by the proliferation in society for a time of the ideological trend of bourgeois liberalization, which brought about considerably severe ideological confusion in our Editorial Department. [paragraph continues]

Faced with the so-called "new literary wave," some editorial personnel unilaterally sought artistic exploration. Not only did they lack an idea on the basic policies on nationalities and on religion, they also blunted the necessary sense of responsibility of having arts and literature serve the people and socialism. Unable to distinguish between beauty and ugliness, between good and bad, they took an obscenity-filled article as a probe in literature without the slightest consideration for the true customs and traditions of the Zang compatriots as well as for their national dignity. Hence, a major error was thus committed. This is an extremely painful lesson and gave us a strong shove. It is indeed time to fully awaken.

We will draw a profound lesson from this mistake and pledge never to forget it. Henceforth, while we will on one hand strive to avoid the repetition of such mistakes in the future, on the other hand, we will positively strive to reflect and depict the colorful and wholesome lifestyles of the various members of our huge multinational family, including those of the Zang compatriots, and conscientiously contribute our efforts to promote the building of socialist spiritual civilization and advance the great socialist unity of all nationalities.

[Dated] 14 February 1987

ZHONGGUO QINGNIAN BAO ON LEARNING FROM LEI FENG

HK170946 Beijing ZHONGGUO QINGNIAN BAO in Chinese 5 Mar 87 p 1

[Editorial: "Carry Forward Lei Feng's Spirit, Be Determined To Serve the People"]

[Text] Today is the 24th anniversary of Comrade Mao Zedong's inscription on "learning from Comrade Lei Feng."

Over the last 20 odd years, the glorious name of Lei Feng has entered the hearts of people of the older and younger generations. In active response to the party's call, young people have consciously emulated Comrade Lei Feng's morality and conduct. His spirit of hard struggle, finding it a pleasure to help others, making sacrifices for public interests, showing concern for the collective, loving labor, and being frugal and thrifty has been carried forward throughout society. Since the 3d Plenary Session of the 11th CPC Central Committee in particular, the value of Lei Feng's spirit has been reestablished in the new era as a result of bringing order out of chaos on all fronts. The activity of "five stresses, four beauties, and three loves" launched in the urban and rural areas throughout the country was the continuation of the activity to learn from Lei Feng in the new historical conditions. Carrying forward Lei Feng's spirit is an important task in socialist spiritual civilization.

Comrade Lei Feng was an outstanding representative of people of a new generation who were growing under the care of the party after China ushered in the socialist period. The traditional virtue and communist morality of the Chinese nation was manifested in Lei Feng, who gave expression to Chinese young people's fine quality of loving the motherland, loving the people, loving labor, loving science, and loving socialism. These fine traditions merged into Lei Feng's spirit, which was distinctly marked by the characteristics of the era. This spirit represents the orientation of the growth of Chinese youth and directs a correct path for them.

Lei Feng's spirit is the spirit of being loyal to the party and the people, being selfless, and making sacrifices for public interests; the "spirit of a screw" that enables one to stick to one's post and make extraordinary achievements in ordinary work. [paragraph continues]

The spirit of hard struggle enables one to work hard without consideration for remuneration but with only a thought of making contributions. The core of Lei Feng's spirit is serving the people. People have since ancient times respected heroes who create happiness for the people, find it a pleasure to help others, and work tirelessly. However, only the proletariat is willing to take the emancipation of mankind as its historical mission, only communists are willing to work for the interests of the majority, and only socialist society can form a widespread social practice of serving the people. The CPC has always regarded serving the people as its purpose. The principle of serving the people has been commonly accepted by the masses thanks to the exemplary role of Chinese communists. Although individualism still enjoys certain support in China and was spreading during a certain period due to the influence of bourgeois liberalization, the principle of serving the people has taken deep root among the majority of the people and become their principle. Serving the people is the voice of the people, the voice of justice, and the voice of morality.

Some people say that people of the new generation should pursue the value of "self-realization" instead of the value of serving the people. How should we view this problem? Obviously, these two concepts of value proceed from different angles -- one is serving the people, the other is working for oneself. Thus, we can have a better understanding of the problem.

First, we do not indiscriminately negate "self-realization" in disregard of serving the people. Those who lay undue stress on "self-realization" are generally divorced from social practice and indulge in empty talk about developing personal ability and realizing personal value. In fact, personal ability manifests itself in one's creativeness, whereas personal value finds expression in meeting the needs of society and other people, because only society and other people can measure one's personal value. Such being the case, in carrying out "self-realization," one cannot but consider satisfying the needs of society and other people. And satisfying the needs of society and other people is serving the people. "Self-realization" in deviation from the needs of society and other people is generally self-expansion.

Second, "self-realization" is not and should not be the ultimate purpose of life. Even if one's personal ability could perfectly develop, it would finally die with one's life. In fact, there is no such a thing as an everlasting value that has absolutely nothing to do with society and is utterly of a personal nature. Only when value belongs to mankind can it be everlasting. Lei Feng devoted his limited life to unlimited service to the people and merged his personal pursuits into the progress of mankind. This is the only correct way to realize personal value.

Some people say that propagating Lei Feng's spirit is giving wide publicity to the outmoded concept that regards men as "tools." This, at least, is a misunderstanding. Serving the people and working for the interests of the majority does not mean negating personal prestige and personal value. On the contrary, by doing so one's personal prestige and personal value are respected. In socialist society, one develops one's ability and brings one's personal value into full play in the course of serving the people in various fields. Although advocates of "self-realization" assert that their "self" is not only of a personal nature but also of a social nature and contains other people, they still take "self" as the center of things and regard society and other people as the "tools" of "self." Therefore, advocating Lei Feng's spirit does not mean urging everyone to become a "tool"; on the contrary, it is precisely those favoring "self-realization" in deviation from the people and society who ignore the interests and prestige of the majority. The concept of value advocated by a society has an important impact on the general mood of that society. [paragraph continues]

If individualism becomes the model of our morality, serving the people becomes outdated, selfishness is allowed to spread unchecked, "everything for money" becomes the norm of action, and extreme egoism becomes the standard of morality, not only is it impossible to realize socialism, but this may possibly give rise to a great danger. The "cave dwellers" described by French thinker Montesquieu in "Persian Letters" all died because everyone in the cave was selfish. The majority of our youth hope that the general mood of society will turn for the better, that unhealthy practices in the party and bureaucratism in state organs will be eliminated soon, that production departments will produce good quality products, that commercial and service units will improve their service, and that relations between people will still be in coordination and harmony after the development of commodity production...how can all this come true if publicity is given to "self-realization" instead of to serving the people?

At each stage of historical development, there are sure to be typical figures representing the development trend of history and portraying the characteristics of the times. Comrade Lei Feng was a representative reflecting the new ideas and habits in socialist society. Inheriting and carrying forward Lei Feng's spirit as well as adhering to the principle of serving the people were not just a matter involving people at that time, but are also for the needs of our social system and common cause. China has now entered the new historical period of reforms, opening up to the world, and building socialism with Chinese characteristics. To undertake the lofty mission history has bestowed upon us, our youth should still take Lei Feng as their example and regard serving the people wholeheartedly as the supreme virtue.

In serving the people, one should be determined to be useful to the people, as Lei Feng was. Yi Busheng once said that to become useful to society, one should turn oneself into an implement. This is reasonable. CYL members and youth, whether they are working or not, are faced with the problem of tempering themselves through study and practice. On the one hand, study and practice will enable them to form a scientific world outlook and methods of thinking as well as to sharpen their ideological weapon to serve the people; on the other, it will allow them to familiarize themselves with scientific knowledge and to improve their ability to serve the people.

In serving the people, one should have devotive spirit as Lei Feng. The value of a person should be measured according to one's contribution to society and not according to what one obtains from society. If a person without contribution holds a respectable position, his value of life is negative. As our country is comparatively poor and our people have not become well off, it is all the more necessary for young people to consider how to make more contributions to the country and the people, to think less about personal gain and enjoyment, and to be hard-working and thrifty, as Lei Feng was.

In serving the people, one should, as Lei Feng did, combine one's ideals, responsibility, and personal pursuits with the development of one's undertaking, region, and unit as well as with construction tasks. He should love his job, be responsible for this work and society, put others before himself, think of those he will serve, and improve the efficiency and quality of his work as well as his professional ethics.

In serving the people, one should, as Lei Feng did, pay particular attention to social morality in public life, improve the quality of one's civilization, find it a pleasure to help others, and make contributions to socialist spiritual civilization.

Everyone in our society is served by others and at the same time serves others.
[paragraph continues]

With the torch of serving the people held high, our society will become more stable and united and the relations between people will become more coordinated and harmonized. We hope that Lei Feng's spirit will give more brilliant light to people of the younger generation.

BOOK OF 65 IMPORTANT DOCUMENTS PUBLISHED

OW180540 Beijing XINHUA Domestic Service in Chinese 0134 GMT 17 Mar 87

[Text] Beijing, 17 Mar (XINHUA) — A book entitled "Upholding the Four Cardinal Principles and Opposing Bourgeois Liberalization — Excerpts of Related Important Documents Since the 3d Plenary Session of the 11th CPC Central Committee" has been published by the People's Publishing House and will be put on sale throughout the country in the latter part of March.

This book was compiled by the Research Center of the Secretariat and the Party Literature Research Center of the CPC Central Committee in accordance with the CPC Central Committee's guidelines urging party organizations at various levels and the broad masses of party members to seriously restudy a series of important speeches and articles since the 3d Plenary Session of the 11th CPC Central Committee, particularly those by Comrade Deng Xiaoping on behalf of the Political Bureau Standing Committee of the CPC Central Committee on upholding the four cardinal principles and opposing bourgeois liberalization.

This book contains 65 documents with total wordage of 280,000 characters, including 16 CPC Central Committee and NPC documents and 49 articles by central leading comrades. The main issues discussed in this digest of documents include upholding the four cardinal principles as the basis for administering our country and its various domestic and foreign policies; strengthening the building of socialist spiritual civilization, promoting education on "ideals, morality, culture, and discipline," and resisting and opposing the decadent ideology and spiritual pollution of capitalism and feudalism; opposing bourgeois liberalization in a correct and clear-cut manner and improving the weak and chaotic situation on the ideological and political front; and being persistent in waging ideological struggles on two fronts by realistically opposing "left" if there is "left" and opposing right if there is right.

This book is important for guiding cadres at various levels and the broad masses of party members to fully comprehend the profound implications and spiritual essence of upholding the four cardinal principles and opposing bourgeois liberalization; to unfold the struggle against bourgeois liberalization in a resolute, healthy, and persevering manner; and to guarantee the further implementation of the policy of reform, opening to the outside world, and invigorating the economy.

JINGJI RIBAO ON SUSTAINED, STEADY DEVELOPMENT

HK180221 Beijing JINGJI RIBAO in Chinese 9 Mar 87 p 2

[Commentator's article: "Seriously Carry Out the Policy of Long-Term and Steady Economic Development"]

[Text] Since the 3d Plenary Session of the 11th CPC Central Committee, the party central leadership has put forth the principle of maintaining sustained and steady economic development on the basis of summing up our country's historical experience in socialist construction. [paragraph continues]

In 1982, Comrade Deng Xiaoping further emphasized the importance of sustained and steady economic development, and clearly pointed out that the economy should be developed on the basis of the country's capability and the pace of development must not be too quick or too hasty. In recent years, we have made efforts to put this principle into practice and have achieved good results in various aspects. The general economic situation is good. However, there are still some latent unstable factors in the present economic development. On the surface, they are reflected in the state's financial difficulties and the strained condition in the credit balance; in essence, the problem is the excessively large scale of capital construction and technological transformation projects, the excessive increase in administrative expenditure and consumption, which all results in the vicious swelling of the total expenditure of state finances. If this state of affairs is not checked immediately, a serious unstable condition will certainly appear. Therefore, at the beginning of this year, the State Council instructed that the principle of maintaining sustained and steady economic development must be strictly observed. This year, our economy in all aspects must seriously follow this principle and serve the overall interests.

First of all we must maintain an appropriate economic growth rate. Some comrades are anxious to change the economic conditions and are trying to raise the growth rate to too high a level and expand the scale too rapidly. Economic development must follow certain laws or regularity, and is conditioned by the natural resources, the scale of accumulation, the development of science and technology, and the management level. If we go beyond the limits of the objective conditions and blindly seek an excessively high growth rate, then we will not be able to make both ends meet in our economic life and will just fail to achieve a really high development speed. In view of our present conditions in all fields, the average growth rate of our national economy should be kept at the level of 6-7 percent each year in a certain period to come, and that will be an appropriate growth rate. If we really maintain this growth rate, then our growth rate will still be rather high in the world. Only by maintaining an appropriate rather than too high a growth rate and leaving necessary leeway in our economic plans can we maintain certain financial, foreign exchange, and material reserves and gain control of the economic situation. The planned growth rate in 1987 is realistic, and can be achieved as long as we make efforts, but what we should notice is that in the agricultural field, we still have to make greater efforts to increase grain production and ensure the comprehensive development of agriculture; while in the industrial field, we must adhere to the principle of improving economic results and basing the increase in workers' incomes and the improvement of the workers' livelihood on production development and productivity growth.

With the development of the structural reform, more funds will be scattered in society. In particular, the funds in the hands of the localities, departments, and enterprises will increase by big margins. This is a good thing. At the same time, however, this has also become an objective condition for the large number of construction projects in all parts of the country. At present, we must try to guide the use of these funds to the key projects that are most needed in the development of the national economy as a whole. The State Council has decided to issue a certain amount of construction bonds to localities, departments, and enterprises so as to raise funds for the key construction projects in the energy, transportation, and raw material industries. This is a good method. This not only can control the investment scale, but can also readjust the investment structure. That is, we can kill two birds with one stone. At present and in a certain period to come, we must strengthen the key construction sector if we are to maintain a protracted development momentum in our national economy and ensure the harmony in economic development.

Actively making use of foreign funds is a big matter that we will do with great efforts. A prominent problem in our socialist construction is the shortage of funds. One of our major policies is to open up to the outside world and try to bring in as much foreign capital as possible for our construction. [paragraph continues]

In doing this, we should pay attention to the following points: First, the scale of foreign capital introduction should be appropriate and corresponding to the growth in exports and foreign exchange incomes; second, the foreign funds should be used in the right way and should be mainly used to develop the export-oriented industries which can increase our foreign exchange income, to develop import-substitution industries, and to import advanced technologies and key equipment; and third, after the projects involving foreign investment are put into operation, their returns should be first used to repay the debts rather be distributed at home.

It is extremely necessary to reiterate the principle of maintaining sustained and steady economic development at this time so as to arouse all people's attention. Otherwise, more serious problems may occur before we can correct them, and our economic stability and development may be affected. It is not easy to ensure sustained and steady economic development, because too many factors are influencing economic growth. The consequences of some policy decisions may not become apparent in 1 year or even within the next 2 or 3 years, and the problem may be exposed to light in 4 or 5 years' time. Therefore, in order to really guarantee the protracted economic stability and development, we must give full consideration to the overall situation, the present conditions, and the possible effects when we are going to make a major decision or to start a major construction project. That is, we must always be sober-headed and must not become dizzy with some transient advantages or difficulties.

NONGMIN RIBAO VIEWS OUTPUT CONTRACT MANAGEMENT

HK181031 Beijing NONGMIN RIBAO in Chinese 10 Mar 87 p 1

[Commentator's article: "Strengthen Management of the Contract Responsibility System With Payment Linked to Output -- Eighth Talk on Deepening the Rural Reforms"]

[Text] In order to perfect the double-level operation system in output contracts, it is necessary to strengthen the management of the output contract system. It has been only a few years since the appearance, development, and across-the-board adoption of the output contract system. The rapid development and the lack of management experience have also left some problems which we must solve and which require more follow-up measures. In some localities, the procedures for concluding contracts are not perfect, and some contracts are even made only verbally rather than in written form, and this has caused many cases of breaking of contracts and many contract disputes. In order to properly solve these problems, we must strengthen the management of the output contract system, and this has become an important task in our rural work and is also a long-term task in the future.

At present, we should first properly manage the work of contracting farm land to the peasant households. Effectively managing the limited farm land and continuously raising the land's productivity is always a crucial issue in our agricultural production, and it is also the central task in the management of land contracts. In view of the present conditions in land contracts and the mentality of the masses, we must now emphasize the stability of land contracting relations. That is, so long as the contractors use the land according to the contract terms, they will be able to operate on that land throughout the contract tenure without changes, and will be able to continue to contract land after the contract expires. [paragraph continues]

If the contractor has developed the level of intensive operation to a particular degree, he can apply for a longer contract term so as to make more investment in that land according to a longer-term plan.

In order to strengthen the management of land contracts, we still have to produce a set of sounder regulations and more effective systems. For example, on the basis of stabilizing land contracting relations, we should also solve the contradictions caused by changes in population and labor force and overcome the excessive scattered conditions of the land so as to achieve a higher economic efficiency in the use of land. At the same time, a system of rewards and punishments should be adopted to encourage the peasants to invest in farm land and to better perform their duties according to the contract terms. In recent years, on the basis of summing up the masses' practical experience in recent years, the central authorities have laid down a series of policies and regulations in these aspects. By seriously implementing these policies, we will certainly raise our land contract management to a new level.

Another important aspect in our efforts to strengthen contract management is properly handling the contracting of the collectively owned orchards, tea plantations, woods, and enterprises. At present, the contracts for orchards, tea plantations, and woods often cause disputes. In some serious cases, the disputes have even led to mass looting or mass fighting, which have seriously affected normal production and social order and stability. Party organizations and leading comrades in these localities must take these cases very seriously, and must focus their attention on these issues before contracts are finally concluded. The handling of orchards, plantations, and woods is rather different from the handling of farm land. In general, the former require larger investments, a longer construction period, more techniques, and better management, and will also produce more marketable goods and bring about more complicated interest relations. So it is necessary to seriously sum up experience and gradually work out a set of contract management methods that are suited to the production characteristics in the handling of orchards, tea plantations, and woods. Take orchards as an example. The masses should be allowed to choose the most favorable contract form according to local conditions. Experience in many localities shows that in villages where there are small areas of orchards, only a small number of people have acquired the technique of planting fruit trees. So if the orchards are contracted to specialized households for concentrated management, the results will be better. However, in villages where planting fruit trees is the main industry and all households know how to plant fruit trees and earn their incomes mainly from planting fruit trees, if the orchards are contracted only to a small number of specialized households, the contradiction in distribution will become outstanding. Therefore, different contract forms should be adopted in fruit-producing areas and non-fruit-producing areas, in new producing areas and old producing areas, and in dealing with large areas of orchards and scattered fruit trees. Different contract forms can also be adopted in the same locality. No matter what contract form is adopted, contract management must be strengthened. The collective should work out unified technical and management standards when the orchards are contracted to individual households. At the same time, we must prevent predatory styles of operation, and make up for the shortcomings of scattered operation by offering pre-production and post-production services. Regarding the specialized contract form, the collective should first investigate the techniques and operational capability of the would-be contractors. In general, the method of inviting open bids should be used so that everybody has an equal chance of becoming a specialized contractor and so that the really skilled hands can succeed in winning the contracts. On the other hand, people's relations of interest in income distribution must be well coordinated, and the relationships between contractors, noncontractors, and the collective must be properly handled. [paragraph continues]

The collective enterprises should be contracted and managed in light of their own characteristics, and the contract standards should be clearly specified. Aside from the profit target, the contract should also include targets for necessary profit retention and asset appreciation. The enterprise management contracts should not be as simple as the farm land contracts.

At present, the essence of various contract disputes is the contradictions in interest distribution, so we must handle them very carefully and must not take a simplistic approach. On the one hand, we should maintain the solemnity of the contracts and should not allow changes in the contracts at will; on the other hand, disputes and problems should be solved in a realistic way in light of different conditions. In a small number of cases, contracts are concluded on the basis of abusing power, and infringe upon the interests of the masses. Such contracts should be terminated or revised. In other cases, the contract terms are not clearly specified, and they should be rewritten in a better form. The conditions for contracts may have changed greatly and thus make the contract targets obviously unreasonable and, with the agreement of the masses, such contract targets can also be adjusted or amended by some remedying measures through consultation. However, all changes must be made in light of certain procedures, and must not be determined merely by a small number of people.

The stability and improvement of the output contract system depends on the stability of regularization of our economic structure and our basic management system. All localities should, on the basis of summing up their experience, formulate their own regulations and rules, gradually perfect them in practice, and finally codify them in the form of law.

COMMENTATOR'S ARTICLE ON ENHANCING AFFORESTATION

HK180001 Beijing RENMIN RIBAO in Chinese 12 Mar 87 p 1

[Commentator's article: "Let More of Our Motherland's Land Be Green"]

[Text] Our great motherland is greeting the seventh Arbor Day. Today, tens of thousands of people will plant trees beside their houses and in the open country to add some beauty to our motherland in another spring. Today, people are spending this specially significant festival with industrious labor planting trees and growing grass, but not with good wine and dance.

Planting trees and afforestation and greening our motherland is a great strategic task, a basic national policy of our motherland, and a cause which the whole society should show concern for and support. What kind of a situation is this cause confronted with today? How can we push it forward? On this Arbor Day everyone of us should show concern for the situation in the greening of our motherland and for the situation in greening around us and then think how we can do this work with all our hearts and all our might.

We can see that on the one hand, greenery is growing and expanding. Since the 3d Plenary Session of the 11th CPC Central Committee, under the concern of the CPC Central Committee and State Council, in a situation in which the CPC Central Committee and State Council have attached importance to this work, and being pushed forward by the situation in rural economic reform, the forestry situation in our country is, on the whole, good and tends toward development. [paragraph continues]

The vast plateau regions which had no forests or a small number of forests for thousands of years in the past, have made a breakthrough in developing afforestation and greenery. The forestry of the plateaus is becoming a new and developing industry in agricultural areas. Stretches and rows of trees are growing thrivingly in the open country here and there. With the building of shelter-forests -- a "great green wall" -- in the "three northern parts," the percentage of forest cover of the northwestern, northern, and northeastern parts of China, a vast area adversely affected by soil erosion and by sand blown by the wind, increased from 4 percent in 1978 to 5.9 percent in 1985, resulting in the improvement of the natural environment in many places. The mass drive of the whole people's voluntary afforestation, which has been launched in urban and rural areas, has aroused the enthusiasm of hundreds of millions of people for greening with the result that some 1 billion trees are added to the land of our motherland each year.

On the other hand, greenery is being reduced. Particularly in old forest zones, forestry tends downwards and to decline: Forest areas are reduced, resources are dropping, the amount of timber felled a year is more than the amount of timber growing a year, and a "deficit" appears in forests. Taking the 131 forestry bureaus of the state-owned forest zones throughout our country, over the past 10 years, the forest areas have been reduced by 21.3 percent, the amount of forests stored has been reduced by 28.1 percent, and some forestry bureaus have almost no trees to fell and are in financial difficulties. Forest reserves of collective forest zones are dropping by a big margin.

The loss and growth of greenery are racing with each other. These are two totally different kinds of tendencies. With the rapid development of socialist construction, the demand for forestry is increasing day by day, relatively insufficient forest reserves are far from suiting the situation, and the growth of forests appears to be relatively slow. Many people are conscientiously cultivating, protecting, and utilizing forest reserves and some people are conscientiously or unconscientiously damaging forests. What a large number of growing trees have fallen down under the choppers and axes of forest destroyers! Which is larger, the growth of forest reserves or the loss of forest reserves? This is a matter which has a bearing on the four modernizations and on the environment for the subsistence and continuation of our nation. Today, we cannot say that we have solved this problem. Confronted with the situation in both losses and growth of greenery, we must rejoice at the achievements in greening our motherland and also see the backward state of forestry. We must keep a clear head and enhance our strong sense of responsibility and sense of urgency to green our motherland.

The aim of understanding the situation in the loss and growth of forestry is to affirm successful experiences, to understand existing problems, and to carry out reform in forestry even better and more in depth so that the regions where forestry is booming and developing can continuously forge ahead and the old forest zones which are declining can extricate themselves from their predicament and turn to a benign cycle as soon as possible. Vigorously planting and cultivating trees and increasing the percentage of forest cover is a basic way to solve the problems of forestry in our country. At the same time, we must enforce the "forest law" and control and invigorate forests according to the law. This requires us to continuously heighten the whole society's understanding of forestry and to mobilize the whole society to run forestry. Taking stock of the situation in all countries in the world, whether a country protects forests well or badly and whether its forestry develops quickly or slowly is closely related to the understanding of forestry, of the government, society, and people of this country. The development of forestry is not only a matter of the forestry departments but also a matter of the whole society. Everybody has a duty to invigorate forestry. Let everyone of us add a bit of green to our motherland!

STATISTICS BUREAU, MINISTRIES FIGURES DIFFER

OW180158 Beijing XINHUA in English 0143 GMT 18 Mar 87

[Text] Beijing, March 18 (XINHUA) -- The State Statistical Bureau has opened its doors wide for the first time since 1949 and 90 percent of its findings are now available for the public to see.

Sheng Zhaorong, an official of the bureau told "CHINA DAILY", China's only English newspaper, that though yearly bulletins were published from 1949-53, most statistics on China's economy have been regarded as secret since the founding of the People's Republic of China.

A book of statistics about the country, entitled "The Great Ten Years," was compiled in 1959, but it was never published. It was not until 1978 that publication of the bulletins was resumed.

With China's opening to the outside world, an international exchange of statistics was put on the agenda.

In 1982, China published its first statistical year book which is the most comprehensive and authoritative publication. Three years later, a monthly bulletin of statistics came into being.

In addition, a six-monthly abstract of major economic statistics is issued each July and an annual bulletin is published by the bureau in February every year.

Year book containing information about 320 cities have been published to meet special needs. And a press conference is held every three months to release statistics on the national economy.

"The door is wide open now, but we still have problems," Sheng said.

The data from her bureau on the country's imports and exports differs from that of the Ministry of Foreign Economic Relations and Trade because, "the statistics of the ministry are limited only to the scope of its own business, while ours are based on figures provided by the customs. That's why their figure is invariably smaller," she explained.

The bureau has a special team to check agricultural production and the income of farmers. Its figures are based on actual output of all crops. Data gathered by the Ministry of Commerce is based on the volume of crops to be traded, and may be smaller. On the other hand, farmers hope for a good harvest, so in their estimates to the Ministry of Agriculture, Animal Husbandry and fisheries, the figures tend to be bigger.

The price index is much in the limelight. Some people doubt the figures, Sheng said, but "actually we adopt the international standard for calculation of price indices."

The State Statistical Bureau now faces a difficult task in putting all its figures into computers at its new computer center.

Set up last July, almost two years after the State Statistical Bureau became independent from the State Planning Commission, the center has limited facilities.

Previously, the bureau had access to a large computer offered by the United Nations but this is now being used by the commission.

BANK OFFICIAL CALLS FOR CURB ON INVESTMENT

HK180104 Beijing CHINA DAILY in English 18 Mar 87 p 1

[By staff reporter Chen Guanfeng]

[Text] China will need at least another two or three years to bring its overheated capital investment under control, a top bank official said yesterday.

Zhou Daojiong, president of the People's Construction Bank of China, told CHINA DAILY in an interview that this was mainly because of the country's effort to cool down a nationwide investment outburst in the past two years had failed to achieve its expected goal and the side-effects of the growth were too great to be offset within a short period of time.

Despite repeated government calls for a cooling-down, the president said, the country's investment in fixed assets increased 16.7 percent last year from 1985 to reach 296.7 billion yuan, outgrowing both the increase in energy and raw material production and the increase in national income.

Simultaneous launching of too many projects was mainly responsible for such an undesirable increase rate, Zhou said. He estimated that there were now more than 160,000 projects under construction, which need a total investment of about 895 billion yuan.

"Apart from the money we have already put in, at least another 590 billion yuan is needed for the completion of these projects. This would account for 60 percent of the total investment the State has planned for the whole Seventh Five-Year Plan period (1986-90)," he said.

Unauthorized investment, which amounted to more than 20 billion yuan last year, was also to blame for the overall investment outburst, Zhou said.

"What local governments and enterprises have money, they invest as they like, and you can hardly do anything about them," he said.

According to statistics, the investment in projects financed by local governments and enterprises hit 11.4 billion yuan last year, more than triple the year's State plan.

The president complained that the State should not have allowed local governments and enterprises to keep so much money, saying such practice caused the proportion of State revenue in national income to drop from 26.9 percent in 1979 to 5 percent in 1985.

"When all these problems occur simultaneously, they constitute a powerful factor interfering with the implementation of State investment plans. We need at least two or three years to eliminate them," he said.

He was optimistic, however, about an improvement this year, saying that the government had decided to focus on increasing production and cutting expenditure and that the party Central Committee and the State Council would assume direct leadership and provide guidance for the work.

He said his bank would accordingly take a number of measures to help the effort. These included a re-assessment of all projects under construction or scheduled to be launched, so that unnecessary projects and those with poor economic rates of return could be stopped immediately; mobilizing idle funds by the issuance of construction bonds worth 10 billion yuan, and formulating an investment management law to prescribe the rights and responsibility of departments involved in investment.

FIRST FINANCIAL NEWSPAPER DEBUTS 17 MAR

OW171702 Beijing XINHUA in English 1544 GMT 17 Mar 87

[Text] Beijing, March 17 (XINHUA) - A trial issue of China's first national financial newspaper, "THE FINANCIAL TIMES," just went on sale.

Jointly published by China's eight major governmental financial institutions, the paper, scheduled to begin official publication on May 1, will concentrate on China's financial and economic policies, financial reforms, theoretical research, and information exchange on both the Chinese and foreign financial markets. The 4-page paper will first be published in Chinese on Tuesdays and Fridays, and has an English edition still in the planning stages, with a projected publication date in two years.

Chen Muhua, state councillor and president of the People's Bank of China wrote an introduction for the trial issue which said, "The founding of the paper is of great significance at a time full of remarkable achievements in China's economic construction and finance, and in economic and financial reforms."

CONSTRUCTION CONTINUES ON WORLD TRADE CENTER

OW181238 Beijing XINHUA in English 1226 GMT 18 Mar 87

[Text] Beijing, March 18 (XINHUA) -- The China World Trade Center will begin accepting advance bookings in the second half of this year though it is scheduled for completion at the end of 1988.

According to Wei Yuming, chairman of the board will provide facilities for meetings, exhibitions, product displays and business consultancy services [as received].

The project will not be affected by the current drive to reduce the scope of capital construction, Wei said, adding that foreign business executives coming to China have continued to increase in numbers.

Construction of the center is a joint venture affiliated with the Ministry of Foreign Economic Relations and Trade and funded by Kuok brothers of Malaysia.

The centre will cover 12 hectares and have buildings totalling 400,000 square meters in floor space, including a five-star hotel, said Wei, who is former vice-minister of foreign economic relations and trade.

NATIONAL CHINESE-LANGUAGE COMPUTER ESTABLISHED

HK190506 Beijing CHINA DAILY in English 19 Mar 87 p 1

[By staff reporter Ma Lixin]

[Text] A national information processing system operating in the Chinese language has been established in China and has become the largest computer network in the country.

The new system is composed of 28 centres linking 12 provinces and municipalities across the nation, a group of Chinese computer experts was told yesterday in Beijing.

Headquartered in Beijing, the computer network was set up by the Ministry of Space Industry to accelerate its information flow and strengthen management modernization. When applied in other areas or departments of the country, the network will prove to be of great practical value in information processing and providing accurate statistics for decision makers, an official from the ministry told CHINA DAILY.

According to the official, the computer network is capable of collecting, storing, analysing, managing, and transmitting data over long distances, replacing information exchanges via telephone. Programmed software in the system can help re-arrange data and other information in a desired order.

Experts at the meeting said they believe that the design and capacity of the network surpasses present international levels of computer networks operating in the Chinese language.

They said that the network is based on the HXW Chinese-Character Information Processing system designed by the Hua Feng Computation Centre in Beijing. The centre imported a Burroughs computer system from the United States.

The system sets a successful example of applying data processing in the Chinese language on a national scale and linking many existing microcomputers and data pools. It can be used in many manufacturing industries as well as banking, insurance and service businesses for production reports, inventory control, budgeting, planning and many other functions that relate to data management, experts said.

Huge volumes of statistics, after being analysed, can be used by decision-makers to map out long-term development plans in the ongoing economic reform and will also help enterprises evaluate their production and management performances to increase work efficiency and production quality, the experts said.

It is also in line with China's strategic plan for the development and application of computer science throughout the country. The plan was approved by the State Council in January.

NEW OFFICE TO CURB EXTORTION OF ENTERPRISES

HK180731 Beijing JINGJI RIBAO in Chinese 7 Mar 87 p 1

[Report by Correspondent Xie Zhenjiang (6200 6966 3068): "State Council Sets up Office To Halt Extortion of Enterprises"]

[Text] This reporter learned from the departments concerned that to further curb extortion of enterprises, the State Council has recently set up an office to crack down on extortion practiced on enterprises. The office includes elements of the State Economic Commission, the Auditing Administration, the Ministry of Finance, and the General Tax Bureau and is responsible for supervising, inspecting, and handling extortion cases. Not long ago, the State Council approved and transmitted the "Situation and Proposals for Halting Extortion of Enterprises" submitted by the State Economic Commission, the Auditing Administration, and the Ministry of Finance, urging all localities and departments to implement them.

Since April of 1986, work has been done in most localities and departments to stop extortion of enterprises and such practices have become considerably less flagrant in some localities and departments. However, the problem remains very serious and in specific localities and departments, the cases of extortion practiced on enterprises are steadily increasing, posing a great harm to enterprises. 1) Enterprises' retained profits are extorted and their potential thus checked. 2) State financial revenues are used for their own purposes. 3) The scale of capital construction outside the state plan becomes difficult to control. 4) The practice of extorting enterprises has provided an opportunity that can be exploited to spend freely and extravagantly. 5) The practice has added pressure to enterprise leaders and made it difficult for them to carry out production and operations well.

In view of the above-mentioned problems, the "proposals" formulated by the State Economic Commission and two other departments and approved and transmitted by the State Council included the following measures:

— People's governments at various levels should take the lead in implementing the relevant state stipulations. Leaders at a certain administrative level should be held responsible for the occurrence of extortion cases in the units under their jurisdiction.

— Various departments of the State Council and people's governments at all levels should seriously sort out their former relevant regulations. Those which are not in keeping with the relevant state stipulations and can lead to extortion of the lower-level units though approved by their higher authorities should be immediately nullified by formal decree. They should report their sorting-out results to the State Economic Planning, the Auditing Administration, and the Ministry of Finance.

— In the nationwide survey of tax, financial, and price affairs, the extortion of enterprises should be listed as one of the survey's contents and the focus of the survey should be on the departments and units that have been involved in extortion of funds.

— An office is to be set up under the State Council to crack down on extortion practiced on enterprises.

-- All kinds of extortion should be checked. All unreasonable demands for fees from enterprises, administrative institutions and businesses, and students' parents under the name of urban construction, improving public facilities, and promoting education are illegal. Financial departments, at various levels, are entitled to confiscate any fees collected extortionately for the state.

-- Propaganda departments should refrain themselves from reporting the practices of extortion imposed on some enterprises as a positive experience and instead they should give more publicity to the typical cases of doing things according to one's capability in urban construction and other construction undertakings.

-- Efforts will be made to perfect the legal system. The departments concerned are proposed to make every effort to work out an "Enterprise Protection Law." Judicial organs at all levels should accept and hear extortion cases.

BEIJING TO HOST MILITARY LOGISTICS EXHIBIT

OW181205 Beijing XINHUA in English 1128 18 Mar 87

[Text] Beijing, March 18 (XINHUA) -- An international exhibition on logistics, reconnaissance and military communications equipment and technology will be held in Beijing this autumn. Logistics departments and scientific research units of the Chinese Army have listed nearly 1,000 pieces of equipment and technology they expect foreign participants to display at the exhibition, scheduled for November 23-28. The exhibition will be jointly organized by Beijing Sub-Council of the China Council for the Promotion of International Trade and Modern China Limited of Hong Kong, a subsidiary of the newspaper TA KUNG PAO.

A spokesman at an organizational meeting said, "departments of the Chinese Army are focusing a lot of attention on the exhibition, because they are striving to modernize the national defense industry." At the meeting, officers of the navy, air and ground forces of the Chinese People's Liberation Army gave updates on the progress of their respective logistics modernization programs to military attaches affiliated with the embassies in China and resident representatives of foreign manufacturing firms and trade organizations. The Chinese military forces hope to carry out economic and technological cooperation with their foreign counterparts on the basis of mutual benefit.

Included in the exhibits expected by Chinese military and civilian sponsors are 170 medical, epidemic prevention, first aid and health protection equipment and technology displays, more than 200 exhibits on maintenance and supply equipment, and other booths on technology and equipment related to transportation, warehouse and storage, telecommunications, catering, clothing and facilities and equipment for military bases. Chinese manufacturing firms and scientific research units will display their latest products and technology at the exhibition, and hope to carry out economic and technological exchange with foreign participants.

The Beijing exhibition will provide another chance for Chinese and foreign military manufacturing firms to show and sell their products and technology after the Asian Defense Technology Exposition held here last Autumn. Last year's exhibition hosted 120 companies and firms representing 12 countries and attracted more than 100,000 Chinese and foreign visitors.

JIEFANGJUN BAO DISCUSSES ARMY OBEDIENCE TO PARTY

HK180825 Beijing JIEFANGJUN BAO in Chinese 4 Mar 87 pp 1, 4

[Speech by Guo Linxiang (6753 2651 4382) entitled: "Fine Tradition Is a Priceless Heritage of Our Army" -- delivered at an enlarged meeting of the Central Military Commission on 23 December 1986]

[Text] Comrades:

Vice Chairman Yang instructed me to talk about the fine tradition of the Army at this important meeting. To a veteran fighter like myself, it is a good opportunity to learn, as we sit together, to look back on the course of struggle and growth of our Army, and recall the great achievements made by proletarian revolutionaries of the older generation, and revolutionary martyrs, so that we can deepen our understanding of the fine tradition of our Army.

It has been almost 6 decades since the Army was founded. The length of the revolutionary war, the extensiveness and acuteness of the struggle conducted by our Army, and the hard conditions experienced by our Army were rarely seen in history. Great struggles have tempered a great Army and great soldiers, and, at the same time, have fostered fine traditions characteristic of the Army. Such fine traditions are the product of integrating Marxism-Leninism with the practice of Chinese revolution, and are an embodiment of Mao Zedong Thought. They are important hallmarks differentiating our Army from that of any exploiting class. They were the powerful spiritual force which drove our Army to conquer the enemy in the past, and will remain the important spiritual wealth and power for building a modern, regular and revolutionary Army, and performing the sacred duty of safeguarding the motherland in the future. It is our priceless family heritage.

The party Central Committee, the Central Military Commission, and proletarian revolutionaries of the older generation have attached importance to inheriting and carrying forward the fine tradition of the Army. In view of the fact that the fine tradition of our Army was severely undermined by the Lin Biao and Jiang Qing counterrevolutionary clique, in 1975 Comrade Xiaoping called on the whole Army to restore the fine tradition. In the course of bringing order out of chaos after the fall of the "gang of four," Comrade Xiaoping, Marshal Ye, Marshal Xu, Marshal Nie, and Vice Chairman Yang repeatedly pointed out that we should restore and carry forward the fine tradition and work style. At a political work meeting of the whole Army held in 1978, Chairman Deng particularly stressed: "The most important thing for us is to study and solve the problem of how our Army should restore and carry forward the fine tradition of political work, and strengthen the combat effectiveness of our Army under the new historical conditions." In August 1984, when Vice Chairman Yang wrote an article on building a modern Army with Chinese characteristics, he emphasized: "The fine traditions were fostered and developed during the revolutionary war which lasted several decades at the cost of our lives. It is our Army's priceless heritage. To promote the modernization of our Army, we must absorb and carry forward the historical essence of our Army, and must on no account give up our own 'treasure.'" These instructions and demands set by our leading comrades, demonstrate that they are concerned with the cause of the party and people, and the building of our Army. This also fully shows that our veteran comrades earnestly place their high hopes on young comrades. [paragraph continues]

We should earnestly understand and practice what they have advocated, and regard the work of inheriting and carrying forward the fine traditions as our common historical task.

The fine traditions of our troops are manifested in the aspects of politics, military logistics, and military command. As far as political work is concerned, it is rich in substance. Here, I would like to talk about the following issues in light of our Army realities.

1. I Would Like To Talk About the Purpose of Serving the People Wholeheartedly
[subhead]

In a political work report delivered at the Seventh Party Congress held in April 1945, Chairman Mao pointed out: "The sole purpose of this Army is to stand firmly with the Chinese people and to serve them wholeheartedly." This is a concise summarization of the essence of our Army.

The purpose of serving the people wholeheartedly is not an abstract slogan. It has its real content, and is embodied in the principle of the building of our Army, reflected in various rules and regulations, and runs through various aspects of the building of our Army. It is manifested in the actions of the broad masses of commanders and fighters.

Pursuing the principle of serving the people wholeheartedly means that we should always take the interests of the people, nation and state as the highest interests, and serve the interests of the majority of people at all times, and in any place. During the period of the War of Resistance Against Japan, the contradiction between the two countries became the main contradiction. We promoted the second cooperation between the KMT and the CPC. The Red Army was redesignated as the Eighth Route Army and the new Fourth Army. The octagonal caps of the Red Army were replaced by army caps of the KMT. Many comrades were unable to comprehend this. At that time, Comrade Liu Bocheng was the commander of the 129th Division. At a meeting of the whole division, he uttered remarks with profound significance. He said: We communists should consider the interests of the motherland and the people as our highest interests. Faced with a formidable enemy, our country and nation are on the verge of death or destruction. We should direct the spearhead of attack against Japanese imperialism. To resist Japan and rescue the country, and save our country and nation from peril, we should bury class hatred. Changing caps means nothing at all! This is only an outward appearance. The nature of the people's Army will never change. The fine tradition of the Red Army will never change. No one can shake our will to liberate the whole of China! After saying this, he took the lead in putting the KMT army cap on his head. This was a vivid lesson for all the comrades present. Now, our country is entering a new historical period. Promoting economic development is where the fundamental interests of the people throughout the country lie. Our Army should submit to and serve this general situation. We should resolutely reduce our troops by one million. By doing so, we will be able to convert some of our airports, wharves and military facilities to civilian use and to support economic construction. Every year, some of our troops should participate in the construction of the key projects of the state. We should extensively train personnel who are able to do both military and civilian work. We should also widely promote the building of socialist spiritual civilization jointly carried out by the Army and the people. All this has reflected and embodied the purpose of our Army of serving the people wholeheartedly.

The implementation of the purpose of serving the people wholeheartedly is also reflected in the fact that various units should subordinate their partial interests to the general interests, and avoid practicing selfish departmentalism. [paragraph continues]

During the years of war, various strategic regions and combat units were scattered here and there. They faced different conditions and tasks. However, they regarded themselves as pieces in a board game. All actions they took proceeded from the overall interests. In the fighting, they took the initiative to mutually coordinate with and support each other. During the period of the War of Liberation, large formation warfare was conducted. Very often, several large contingents were deployed in a small area with insufficient grain supply and a shortage of lodgings. However, various units created better conditions for other fraternal units while tackling the difficulties themselves. At present, it is still an important issue to correctly handle the relations between the partial and overall interests. When an army, a division, or a regiment is thinking, or doing something, they should take the interests of the whole into consideration. They should consider whether what they have done is beneficial to overall interests. For example, in the process of streamlining the troops, a number of units equally treat and use their own cadres and cadres from other units in order to arouse the enthusiasm of these cadres. This shows that they take the interests of the whole into consideration.

To cadres and fighters, implementing the purpose of serving the people wholeheartedly means that they should correctly handle the relations between the interests of the individuals and the collectives on the one hand, and the relations between the interests of the individuals and the state. For the sake of revolution, they should dare to devote everything, even their lives, to the country. As far as leading cadres are concerned, what is most important is that they should correctly understand and use the power they hold. During the years of war, the leading cadres of our Army enjoyed high prestige among officers and men. They admired them, and believed that in following them to make a revolution, there was a very good chance of victory. This prestige did not come from the power itself, but from the correct wielding of their power and their devotion to the interests of the people. At that time, power did not bring a person high social status or excellent pay and conditions. It only brought him greater responsibility and danger. This was because the enemy regarded you as a target of attack. They even offered a reward for your head. At that time, all of us consciously used the power we held to serve the people, fearing that our slackness or carelessness might bring losses to the revolutionary cause. We cared nothing about the change in our positions, or our personal gains and losses. As long as it was needed by the revolution, we happily worked at the top or at the grass roots. As far as livelihood was concerned, we persisted in sharing weal and woe with the cadres and fighters at the grass roots. We sought no personal privileges. Now, all comrades present hold certain power. How must we use the power well? This is a severe test for us. Our party has become a ruling party, and our troops national defense troops. During the years of war, the enemy troops and our troops confronted each other, and we were confronted with a formidable enemy. However, the present situation has changed. Our supervisory system, including supervision by the masses inside the Army, is far from being complete. Therefore, whether a leading cadre can correctly use the power he holds is determined to a large extent by whether he has a strong party spirit. Some of our cadres have done a lot of beneficial things for the people. However, on one or two occasions, they failed to withstand the test. This had a very bad influence. For example, taking the opportunity of streamlining and reorganizing troops, some cadres made the mistake of illegally distributing money and goods, spending money without restraint, and causing great waste. As a result, the work of streamlining and reorganizing the troops was adversely affected, and the work style of the troops was poisoned. The cadres themselves were punished. While handling some general problems, some cadres might be fair and impartial. [paragraph continues]

However, when they were involved in the issues of making job arrangements for their children and relatives, they discarded the principle. The masses had a lot of complaints about this. Our comrades must pay special attention to the fact that when they hold greater power, they should use it in a more correct and meticulous way. To the veteran comrades, this is a question of preserving their integrity and winning still greater glory during their later years. To the young comrades, it is a question of maturing step by step in order to become worthy successors to the revolution. Leading cadres at all levels should realize their historical task, and serve the people wholeheartedly all their lives. Only thus can they be worthy of the people who nurture and greatly trust them.

2. I Would Like To Talk About the Party's Absolute Leadership Over the Army [subhead]

Our Army was founded by the party, and is an armed group which discharges the party's political task. Since the founding of our Army, we have regarded the work of upholding and protecting the absolute party leadership as our basic principle. During the long period of revolutionary struggle, we established effective systems and methods governing our party's political, ideological, and organizational leadership.

Judging from the historical experience of our Army, what is most important to ensure the party's leadership over the Army is to handle four relationships between the Army and the party; the relationship between party committee members and the party committee; the relationship between individual party members and the party organization; and the relationship between party members and the masses.

With regard to the relationship between the Army and the party, our Army always treats itself as an instrument for fulfilling the party's tasks. On the one hand, it always puts itself unconditionally under the CPC leadership and never allows any other political force to share the power of leading the Army with the CPC. On the other hand, it unswervingly subordinates itself to the party Central Committee's leadership and invariably upholds the principle that "the party commands the gun, and the gun must never be allowed to command the party." We obey the command of the party absolutely at all times and in all places. In such a way, we have always preserved the nature of the People's Army, and won the victory in the revolutionary war. In the meantime, any plots of assertion of independence from the party or splitting the Army can never succeed.

During the years of war, the key task of our party was to lead armed struggle. Our Army implemented the task of carrying out armed struggle. Under the leadership of the party, our troops resolutely implemented the party's program, line, and guiding principles. This was a matter of decisive significance to the victory of the revolution. During the period of peaceful construction, we have unswervingly upheld the four cardinal principles, and have taken the lead in implementing the party's line, guiding principles, and policies for the new period. This is a matter of great significance for ensuring the stability and unity of our country. Furthermore, it has had a positive influence on various fronts and quarters. Last year, the CPC Central Committee decided to reduce the size of the Army. The Military Commission has resolutely implemented the strategic policy decision of the party Central Committee by leading officers and men of the entire Army to take immediate action, and by adopting a series of effective measures. The work of cancelling, merging, transforming, and demoting certain departments, and making readjustments of and arrangements for personnel has been progressing very smoothly. This is a vivid example of how, under the new historical conditions, our Army resolutely follows the party leadership and implements in an exemplary way the program, line, guiding principles, and policies of the party. We have been enlightened and educated by this example. [paragraph continues]

Upholding the collective leadership of the party committee means that, other than in critical conditions, all decisions on matters of primary importance should be made by the party committee through collective discussion. Arbitrary decisions by individuals are not allowed. This is an important guarantee for realizing the party leadership. The greatest advantage of doing so is that it enables us to pool the wisdom of the collective, correctly follow the intentions of the higher authorities, exercise correct leadership and implement policy decision, and avoid or minimize the mistakes. If one person alone has the say, it is difficult for him to do the work well no matter how capable he is. In the history of our Army, some people were capable. However, they could not make a breakthrough in their work precisely for this reason. They even brought losses to the revolution. Therefore, whether we uphold the collective leadership of the party committee, or pursue the practice of "what I say goes," and ruling by the voice of one man alone, is not a mere question of work method. It concerns whether we can realize the correct leadership of the party. It is also a matter which concerns the success or failure of the revolutionary cause.

At present, people talk a lot about the importance of collective leadership. However, in some units, the practice of collective leadership has not yet been truly followed. It is actually those who are most senior and who hold the highest positions who have the say. In some units, even the most overbearing person has the say. Any decision made by the collective through discussion can be repudiated if the person who has the final say does not agree. I have recently learned the following: A regimental commander said that as long as he was the commander of the regiment, he must have the final say with regard to all matters in the regiment. This was completely wrong of him. Since you are commander of the regiment, you have, of course, the right to command and administer. With regard to some matters, you have the final say. However, you should fully realize that it is the party and the people who send you to the unit to carry out the administrative and command work. Our Army is the Army of the people, and is led by the party. You do not always have the final say in all matters. If you have any objections to the collective decisions made by the party committee, you may reserve your view. However, you must firmly execute the decision in your actions. This is an organizational principle which you are not allowed to violate even if you are the commander of the regiment. To carry forward democracy means that the party committee, the party secretary, deputy party secretaries, and veteran comrades must, first, have democratic ideas and follow a democratic work style. They must let people say what is on their minds. They must truly attach importance to the truth without sparing anyone's sensibilities. We adopt the correct opinions no matter who raises them. For example, the party committee holds 10 meetings. However, in only one meeting democracy is not effectively carried forward. Members of the party committee might have complaints about this. Contradictions might thus occur inside the party committee. The principle of collective leadership might be harmed or undermined. Therefore, the principle of collective leadership must always be conscientiously implemented. Stuff like position and seniority must on no account be brought into the party life.

Individuals must submit themselves to the organization, and the party decision must be unconditionally implemented. The party's instructions must be implemented to the letter. This is a good tradition of our Army. During the years of war, if the party committee assigned the most difficult and dangerous task to us, we felt that the party trusted us. When there was a conflict between personal interests and the decision and instructions of the organization, we were willing to sacrifice our personal interests or even devote our own lives. Examples of this are too numerous to mention. It was precisely because of the fact that party members regarded the implementation of the decision of the party committee as a sacred matter that the party instructions could always be executed. [paragraph continues]

At present, most of the party members have done well in this regard. In particular, those veteran comrades who are to retire in the course of streamlining the Army, and the broad masses of Communist Party members who are carrying out self-defense counterattack on the Vietnamese, have done a superb job. However, we should also realize that there are still people who try to make bargains or who ask for preconditions when they are executing the instructions of the party organizations. Others fail to execute instructions to the letter. Some units and party members implement only the decisions of the party organization which suit their taste. Otherwise, they will not implement them. What deserves our special attention is that some of our party organizations and leading cadres are now accustomed to these phenomena. They are reluctant to criticize or educate the units or individuals concerned. On the contrary, they are indulgent toward their mistakes. This is extremely harmful to upholding the party leadership and strengthening the party discipline. If party members are devoid of party spirit, how can the party organizations have combat effectiveness?

We should give play to the exemplary role of Communist Party members and the party's cadres, senior cadres in particular, in order to influence and bring along the masses so that they strive for the party's program and line. This is an important link for realizing the party leadership. In this regard, proletarian revolutionaries of the older generation and many veteran comrades have set good examples for us. We all know the achievements made by Comrade Chen Yi in promoting guerrilla warfare in the southern part of Jiangxi. At that time, the main force of the Red Army had already moved away, but Comrade Chen Yi stayed in the southern part of Jiangxi to persist in carrying out the struggle. He was in a perilous position, because he had lost contact with the central authorities. However, when he read the report on the Xian incident from a Hong Kong progressive journal, and the excerpts of Chairman Mao's speech delivered at the Wayaobao meeting, he took the initiative to educate the troops in accordance with the spirit of the party Central Committee. While actively expanding his troops to continue to persist in the struggle against the enemy, in the name of the CPC special committee for Jiangxi and Guangzhou, Comrade Chen Yi issued a declaration on unity and resistance against Japan to launch the movement of resisting Japan and to save the nation from extinction. There are many examples in history, like Comrade Chen Yi, of those who had ample party spirit and consciously led the masses to implement the party's program and line in an exemplary way. At present, the conditions have changed a lot; however, the fine tradition of implementing the party's instructions in an exemplary way should not be changed. In particular, senior leading cadres should be strict with themselves. If they fail to think of the way to uphold the four cardinal principles in a better way after their promotion, and to take lead in implementing the party's line, guiding principles and policies; if they first think of how to get a bigger house and a more luxurious car in spite of the fact that they already have big houses and good cars, their prestige among the masses will be weakened. As far as those comrades who have been newly promoted to leading bodies are concerned, they may temper themselves and enhance their capability if they think that their work ability is not strong enough. They may study and accumulate experience if they think that they have not had sufficient experience. But they should, and can, give play to their exemplary role.

3. I Would Like To Talk About the Unity Between the Army and the People and the Unity Between Officers and Men [subhead]

In the protracted armed struggle, basically speaking, there were two reasons why our forces could constantly grow and contribute to the victory of the revolution: 1) Truth -- we are guided by Marxism-Leninism-Mao Zedong Thought and have a firm belief in communism; [paragraph continues]

2) The masses — we are supported and assisted by the masses and have a solid basis for the unity between the Army and the people and the unity between officers and men. Truth represents the interests of the masses, and the masses seek revolutionary truth. The combination of truth and the masses produces force incomparably greater than that of the enemy. During the period of the War of Resistance Against Japan, our forces penetrated far behind enemy lines and were brave in killing the enemy. At that time, the number of our troops was small and our weapons were backward and money supply meager. The KMT forces used the "central troops" as their camouflage. They had a solid foundation of rule for many years. They were great in number and sufficiently supplied in terms of weapons and money. However, our forces truly became one with the masses and relied on and mobilized the masses. In our forces, officers and men united as one to share weal and woe. They enjoyed the support and esteem of the people very rapidly. Our forces developed continuously and our revolutionary base was established one after another. This laid a foundation for the final victory of the Chinese revolution. The KMT forces bullied people wherever they went, and their officers and men were not equally treated. Since they did not enjoy popular support, they retreated in defeat time and again. After making a comparison between the enemy and ourselves, we find out that where the will of the people and forces rises is a very important matter. Therefore, we should always remember that solid unity between the Army and the people and solid unity between officers and men is the source of the strength of our forces and a foundation for our victory.

Chairman Mao said; "The Army and the people are the foundation of victory." He added: "The richest source of power to wage war lies in the masses of the people." We had a profound understanding of this truth during the war years. Under the conditions that we were split, surrounded, and sealed off by the enemy for a long time, without the support from the masses, our forces could not survive for even a single day, let alone develop themselves. In the old liberated areas where we had laid a good foundation of connecting with masses, we maintained flesh-and-blood ties with them. This was a true bastion of iron. In March 1947, when the forces of Hu Zongnan were attacking Yanan, Chairman Mao led a thousand persons or so from the units directly under the central authorities to fight the enemy. For the sake of Chairman Mao's safety, the people in northern Shaanxi never revealed the whereabouts of Chairman Mao. Chairman Mao fought the enemy for 1 year under its very nose, but the enemy never knew the whereabouts of Chairman Mao. During the later stage of the War of Liberation, we led our enormous and powerful army to march all over the country. However, the support of the people for the front was still indispensable. Commander Chen Yi said: The victory of the Huaihai campaign was inseparable from the small carts of the fellow villagers of Shandong. What he said was vivid and accurate.

During the years of war, the Army united with the people, and they were as inseparable as fish and water. The fundamental reason they could do so was that the Army and the people shared a common interest. In the meantime, our Army persisted in the principle of upholding the unity between the Army and the people and the unity between the Army and the government, and performed the three great duties as a combat team, work team, and production team. We helped the people stand up and free themselves politically and economically, respected the local party committee and government, and observed the discipline related with the masses. Whenever our forces arrived in a new place, the "presents" they gave to the local people at their "first meeting" were that they never encroached on the interests of the people to the slightest degree. The masses promptly accepted them as their own forces.

The situation is greatly different now. However, our Army's purpose of serving the people wholeheartedly has not changed. [paragraph continues]

We should not discard the tradition of upholding the unity between the Army and the people and between the Army and the government. Approaching the matter from a high plane of principle, we know that the building of our national defense and our Army is inseparable from the support of the masses. As for a specific unit or regiment, if the relations between the Army and the people are not well handled, the building of the forces will be adversely affected. Of course, forming a closer tie between the Army and government and between the Army and the people must have a new content and follow a new method. Now, the activities jointly carried out by the Army and civilians to promote the building of spiritual civilization and to train personnel suitable for doing military and civilian work have combined the fine tradition of our Army of supporting the government and cherishing the people with the new historical conditions. This is an important way for establishing new relations between the Army and Government and the Army and the people. We should often think of the way to adapt ourselves to the new situation to promote a closer relation and better unity between the Army and the people.

The basis of the Army lies in soldiers. Only by promoting close unity between officers and men can we unite soldiers from all corners of our country. We should maximize the enthusiasm and creativeness of our soldiers, so that they can accomplish various tasks. During the years of war, many soldiers from the KMT forces felt the hospitality and warmth of our forces once they crossed over. They realized that in the People's Army, soldiers did not die for their officers, but fought for the interests of the people. They promptly turned their guns, and bravely took part in the battle. It seemed that they had thoroughly remolded themselves. During the early period of the Red Army, a fairly great number of cadres came from the old forces. They used the method of the old forces to command the Red Army. The phenomena of beating and scolding soldiers occurred from time to time. Chairman Mao was determined to completely solve this problem. He not only wrote a resolution of the Gutian meeting on banning the beating and scolding of soldiers and urging the establishment of new relations between officers and men in the People's Army, but also made an investigation in the second column of the Red Army where the phenomenon of beating and scolding soldiers occurred very often. He devised seven methods to ban the beating and scolding of soldiers and explained them one by one at cadre meetings above company level. These seven methods were: Cadres must discard bureaucratic airs and immerse themselves with masses; they must show concern for and give every care to soldiers; they must set a good example for soldiers; they must learn the way of mobilizing soldiers to educate and administer themselves; they must place more emphasis on education than on punishment; they must pay more attention to propaganda and persuasion work than to issuing orders; and they must be strict and fair in meting out rewards and punishment. At that time, people were deeply impressed and educated by his new ideas. To me, the most important spirit of the new ideas is the equality between officers and men, cadres setting a good example, and carrying forward democracy. During the years of war, the educational level of cadres at grass-roots units was generally low. They were not able to talk very much about theories. However, they enjoyed high prestige and could closely unite with others. The key lay in the fact that they set a good example and were not afraid of making sacrifices during the war, and that they led to their men in a charge and were the first to bear hardship and the last to enjoy comfort in life. During the Long march, cadres above regimental level were provided with horses. At that time, I was a political instructor of a cadre regiment, the political commissar of which Comrade Song Renqiong. He never rode his horse. His horse was used to carry wounded soldiers and soldiers who dropped out. Actually, many cadres who were provided with horses walked on foot. With this principle of setting a good example, cadres were respected and trusted by soldiers. [paragraph continues]

Let me talk further about carrying forward democracy. Chairman Mao said: "Not only China, but also its Army, needs democracy. The democratic system inside the Army is an important weapon for undermining a feudal, mercenary Army." At that time, how did our Army overcome a series of old management methods? The basic weapon we relied upon was democracy. Soldiers had the right to criticize cadres and put forth proposals on work. In the meantime, soldier associations, as soldiers' organizations for exercising their democratic rights, voiced the views and aspirations of soldiers. This enabled soldiers to have ease of mind and promoted cordial relations between officers and men. On the prerequisite of ensuring highly centralized and unified leadership of the Army, it has been proved that by sticking to normal, democratic life, we will be able to arouse the enthusiasm of soldiers and strengthen mutual understanding and trust between officers and men. In such a way, our Army will be consolidated. To build a modern and regular revolutionary Army, we should maintain strict command over our forces. We should have a strict system, strict discipline, and strict administration. In the meantime, we should also realize that the quality of our cadres and soldiers has greatly changed and that their educational level and democratic ideas have been strengthened. Therefore, it is necessary for us to satisfy the demand of the new situation and carry forward in a better way political, economic, and military democracy. However, some of our cadres failed to do so. On the contrary, they have given up many of our fine traditions. They either do things in a crude and oversimplified way or take a laissez-faire attitude. They even copy certain administrative methods of the old Army. When anything crops up, they are impervious to reason. They very often beat soldiers. They even beat soldiers unconscious with carrying poles. A very small number of persons worship the methods adopted by the bourgeois strategists to command their forces and mistakenly believe that beating and scolding soldiers is a manifestation of strict administration of the forces. This is an important reason attributing to the intensification of contradiction between officers and soldiers and to the occurrence of unfortunate incidents such as suicide, homicide, and so on. The ideological work style of some cadres is bad. Taking advantage of soldiers' desire to join the party and the League, render meritorious service and receive awards, take school entrance examinations, become voluntary soldiers, ask for home leave, and so on, they act wrongly out of personal considerations, accept gifts, and go in for unhealthy trends. All this severely corrupts the work style of the forces and undermines normal relations between cadres and soldiers. This state of affairs merits the attention of leaders at all levels. We should constantly provide cadres with education in taking good care of soldiers and study how to promote the unity and fraternity between officers and men under the new historical conditions. Not long ago, the Central Military Commission adopted a resolution on "eight bans." This is an important measure to consolidate and develop unity between officers and men in the new period. It is well received by our forces. We should conscientiously implement it.

4. I Would Like To Talk About the Practice of Hard Struggle and Fearing No Sacrifice [subhead]

Our Army was born amid hard struggle and has been steeled and matured through bloodshed and sacrifice. In the revolutionary war, we faced a powerful enemy. For a long time, the enemy was strong and we were weak. The fierce enemy tried constantly to eliminate us. We were always accompanied and tested by difficulties and sacrifice. We had to pay a great price whenever we made a step in the revolution. Sometimes, the price was very great. According to statistics, the number of named martyrs throughout the country, the relatives of whom are given preferential treatment, is more than 3.7 million, most of whom died during the war. [paragraph continues]

Besides, there are innumerable unnamed martyrs. Chairman Mao led a contingent of 5,000 during the autumn harvest uprising. Because of injuries, deaths, and diseases, the number of members of the contingent dropped to less than 1,000 when it arrived at the Jinggang Shan. After joining forces with the troops led by Commander Zhu and Commander Chen, the total number of forces was less than four regiments. The newly established Red Army had to fight a life-and-death war against more than 10 regiments of the White Army. Only thus could the Red Army maintain and develop itself. The Long March of the Red Army was a long and arduous journey without a rear or support. It was actually a struggle for survival in a hopeless situation. Without an astonishing will to climb the snowy mountain, cross the grassland, experience all hardships, and eat wild vegetables, tree bark, grass roots, or even leather belts, could the victory of the Long March have been won? During the War of Resistance Against Japan, facing the 8th Route Army, the new 4th Route Army, and the people behind the enemy line were 64 percent of the Japanese forces in China and more than 90 percent of the puppet forces. The enemy and puppet forces gained an upper hand in terms of numbers, weapons, and equipment. On the other hand, we were fighting behind the enemy with only a meager supply of provisions, funds, and ammunition. To overcome difficulties and defeat the enemy, while carrying out hard struggle, our forces were also engaged in production. Without a firm and indomitable spirit and a spirit of hard struggle, it would have been impossible to smash the savage "mopping-up" enemy operations and win victory in the War of Resistance Against Japan. The history of the victory of the Chinese Revolution is the history of hard struggle, bloodshed, sacrifice, overcoming difficulties, and defeating the enemy of our party and Army and the people throughout the country. It is completely right for us to say that our party flag and our 1 August Army flag are stained with blood.

Our Army's political qualities of hard struggle and fearing no sacrifice reflect the most thorough revolutionary spirit of the proletariat of bearing hardships, the staunch revolutionary will, and the firm revolutionary belief of the broad masses of officers and men of our Army. During the years of war, those who joined our Army were mostly poor peasants and workers. There was no way out for them other than to join the Army. They could adopt no means other than promoting unity and struggle. Some of our comrades gave up excellent and comfortable living conditions in order to join the revolution. Some of them betrayed their families of the exploiting class to join the People's Army. They discerned the darkness of the old society and understood the truth of the revolution. They consciously joined the rank of the people to resist oppression and exploitation. At that time, both high-ranking cadres and ordinary soldiers had the consciousness of enduring hardships and making sacrifice for the revolution "Do not fear death, if you want to make revolution. If you fear death, do not make revolution." This was a pet phrase prevailing at that time, and a tenet of all people.

It is precisely the fine tradition of hard struggle and not fearing sacrifice that has fostered new people in our Army generation after generation. Hard life and a life-and-death struggle have steeled the will of the revolutionary fighters and molded their temperament. In the long-term arduous struggle, tens of thousands of our officers and men have steeled themselves unceasingly to forge their strong determination to strive to the end for the cause of the party, to enforce their indomitable and tenacious will, to foster their character and morals of unselfishness and sacrificing one's own interests for the sake of others, to achieve their rich experiences, and to acquire their outstanding ability. It is also in such strenuous struggle that numerous combat heroes, meritorious workers of the people, and model workers come to the fore. It is in such strenuous struggle that we bring up a large number of key members of the leadership who are responsible for administering our party, our country and our Army. [paragraph continues]

They have become the essence of our nation. In our Army are many generals who are wise, full of stratagems and are brave and good at fighting. They were formerly child cowherds, apprentices, and long-term hired hands. In the big melting pot of the Chinese Revolution, they grew up through repeated tempering and testing. In a certain sense, it is difficult for one to become an outstanding talented person, and a talented military person in particular, if one never steels oneself in a difficult environment and consciously deals with and overcomes difficulties.

Struggling hard and fearing no sacrifice is the Jinggang Shan spirit, the Long March spirit, and the Yanan spirit, which we often talk about. This kind of spirit, with its historical characteristics and unrestricted by time, will never be out of date. The "Laoshan spirit," which people around the country and cadres and soldiers in the whole Army praise, is a spirit in the new historical period inherited and developed from the revolutionary spirit of struggling hard and not fearing sacrifice. Of course, we cannot but realize that under the new conditions, the sense of hard struggle of some comrades is getting blunted. Some comrades pick easy jobs and shirk hard ones. They seek undeserved reputations and are unwilling to do solid work. Some other comrades are engrossed in extravagance and waste and spend public money on extravagant eating and drinking. Some units and cadres compete with one another not in work and contributions, but in pay and conditions in life. Some cadres have been promoted in both position and grade, but are still not satisfied with all this. Some even said: I never asked for anything from the organization in the past. Now I ask for something, and the organization must give consideration to my demand. We said: It was right for you not to ask anything from the organization in the past. Now, you must not ask for anything either. You must stick to serving the people all your life, and uphold the glorious tradition. Only in so doing can you protect the image of a veteran communist. We should realize that although the present conditions are greatly different from those during the years of war, the Army is always an army. Our Army is shouldering the sacred task of defending the motherland and promoting construction. Many urgent, difficult, dangerous and heavy tasks are to be shouldered by our Army. Without the spirit of hard struggle and fearing no sacrifice, it would be impossible to ensure the happiness and stability of the people throughout the country. Our frontier guards in Guangxi and Yunnan squat down in "Maoer Dong" (cat-ear cavity) for dozens of days or several months under a high temperature of 30 to 40 degrees centigrade and humid and muddy conditions. Without carrying forward the spirit of hard struggle and fearing no sacrifice, they could not possibly persist in this, let alone eliminate the enemy. Even if our Army has been modernized and the people's living standard has been enhanced, the spirit of hard struggle and fearing no sacrifice is still indispensable. Otherwise, we would not be able to stand even a little difficulty, and the best weapons would become useless. Of course, stressing the tradition of hard struggle does not mean that we should now live as we did during the years of war, or mechanically follow what we specifically did in the past regardless of the practical conditions. On the contrary, we should advocate the spirit of working hard and making great efforts to advance despite difficulties, and being brave to explore the way forward for the modernization of the forces. We also advocate the spirit of working assiduously, doing a solid job, and making contributions to the people. We should advocate the spirit of basing ourselves on the existing conditions, working hard to do pioneering work, and building the Army through thrift and hard work. We should also advocate the spirit of giving no thought to personal gains and losses and not seeking comfort. In a word, to realize the common ideal of our people at the present stage and the highest ideal of our party, the spirit of hard struggle and fearing no sacrifice is indispensable.

5. I Would Like To Talk About Conscious Observance of Iron Discipline [subhead]

Apart from having high political consciousness, our Army must observe strict discipline. In history, due to the characteristics of our country's revolution and to the fact that most cadres and soldiers of our Army came from peasant families and that they lived in an environment of guerrilla warfare for a long time, they were easily influenced by undesirable tendencies such as undisciplined actions, liberalism, action in defiance of organization and discipline, and so on. Right after its founding, our Army made vigorous efforts to overcome various nonproletarian ideas and, at the same time, paid special attention to discipline. During the period of the Jinggang Shan, in the spring of 1929, Chairman Mao formulated the three main rules of discipline. In summer of the same year, he put forth the eight points for attention. They were later amended and supplemented and turned into the three main rules of discipline and the eight points for attention. In the subsequent struggle, during the war of liberation in particular, our Army's strategic defense was turned into strategic offense. Our Army carried out large-formation warfare for the final victory. The party Central Committee repeatedly stressed: "Once we strengthen discipline, our revolution will be invincible." It further formulated and perfected political discipline, military discipline, organizational discipline, and mass discipline. It was precisely this discipline which ensured implementation of the party line, execution of the instructions and orders issued by the higher authorities, highly centralized command and unification of our forces, and good internal and external unity. All this guaranteed the victory of the revolution.

The strict discipline of our Army is based on the political consciousness of the broad masses of our officers and men. It is completely different from the "big stick discipline" of the army of the exploiting class, which was based on deception and coercion. Our cadres and soldiers have realized that our discipline embodies the interests of the people, and that observing discipline means safeguarding the interests of the people. Therefore, for a long time in the past, our Army had already developed a very good tradition of complying with orders to fight the enemy, retreat, leave, and stop fighting. They obeyed orders in all their actions. During the Long March, the Red Army seized Luding Bridge and walked 240 li in 1 day and 1 night. They "seized the bridge at the cost of their lives." During the War of Resistance Against Japan, our forces carried out a life-and-death struggle against the Japanese and puppet forces and the KMT diehards to open up large base areas. After the victory of the War of Resistance Against Japan, to strive for the realization of the new stage of peace and democracy, our party gave first priority to the interests of the people and made necessary concessions to the KMT. Our forces scattered in the eight regions of Guangdong, Zhejiang, southern Jiangsu, southern Anhui, central Anhui, Hunan, Hubei, and Henan, and retreated to the north of the Lianyungang-Lanzhou railway, northern Jiangsu, and northern Anhui. Since many comrades thought that these base areas were developed with their blood, sweat, at the cost of the lives of many comrades, they were indeed reluctant to leave them. However, when the party had made a decision, they took the general situation into consideration and resolutely implemented it. They retreated on schedule to the places determined by the party.

The discipline of our Army is always strict. Anyone who violates discipline will be criticized, punished, or even severely sanctioned regardless of his position and contributions. Elderly comrades might still remember that there was a person named Huang Kegong who took part in the struggle of the Jinggangshan and the Long March. He fought the enemy bravely and made contributions to the revolution. In 1937, when he was leader of the sixth team at the Anti-Japanese Military and Political College, he wanted to marry Liu Qian, a student at the Shaanbei Public School. [paragraph continues]

When she refused, Huang shot her dead. As a result, he was sentenced to death. At that time, many people urged that he be pardoned so that he could redeem himself by good service. Chairman Mao did not accept the proposal, and personally wrote a letter to presiding Judge Lei Jingtian, saying: "The Communist Party and the Red Army cannot but impose stricter discipline on members of the Red Army than on common people." He added: If we "pardon" such people, "it will be impossible for us to educate the party, the Red Army, the revolutionaries, and the common people." At that time, this case shook and deeply educated the forces. To speed up the revolutionization, modernization, and regularization of our Army, Chairman Deng and Vice Chairman Yang of the Central Military Commission have repeatedly stressed that we must command our forces strictly. Director Yu also pointed out: During peacetime, laxness is the greatest harm to the building of the forces. At present, the phenomena of refusing to obey orders, ignoring prohibitions, failing to proceed according to law, failing to enforce law strictly, and so on have truly occurred. In some localities, such phenomena are very serious. Therefore, it is absolutely necessary to stress the importance of strengthening discipline. We should realize that when our Army has attained a higher level of modernization, more efforts must be devoted to the regularization of our Army and to enforcement of the law. We should use strict discipline decrees, regulations, and rules to govern the work and life of our forces. Of course, we should not place too much emphasis on punishment. We should stick to the principle of relying mainly on education while making punishment subsidiary. Our purpose in meting out punishment is to educate people. We should avoid the two tendencies of relaxing discipline and meting out punishment arbitrarily, because these two tendencies will eventually lead to loose organization and lax discipline.

The key to the effective enforcement of discipline by the forces lies in leading cadres. To overcome unhealthy trends, halt acts of violating law and discipline, and change the laxness and sloppiness of our forces, the emphasis must be placed on leading cadres. Leading cadres must make themselves an example and become models of observing law and discipline. First of all, they should strictly observe the political discipline of the party; resolutely implement the party's line, guiding principles, and policies; and oppose political liberalism. They should resolutely implement the principle that everyone is equal before party discipline, state law, and Army discipline. Leading cadres who violate law and discipline should be severely punished. The practice of "treating those at the upper level with leniency and being strict with those at the lower level" should be discarded. The party and government have provided better pay and conditions for leading cadres. They are not allowed any privileges that disregard rules and regulations. There are no such special persons who are not bound by law and discipline. The party Central Committee has demanded that Communist Party members, leading cadres in particular, take the lead in observing discipline and law. High-ranking cadres of our Army should respond to the call with their practical deeds.

6. I Would Like To Talk About the Issue of Going Deep Into the Realities of Life and Conducting Investigations and Studies [subhead]

Going deep into the realities of life and conducting investigations and studies is an embodiment of our party's ideological line, which is characterized by seeking truth from facts. It is the most fundamental leadership work style and work method and the most important prerequisite for correctly exercising leadership. In history, regarding the issue of how our party should lead the Chinese revolution, the party once followed a tortuous course. Through their in-depth investigations of the Chinese social economy, politics, ideology, and culture and their investigations in the rural area in particular, many revolutionaries of the older generation represented by Comrade Mao Zedong formulated theories, guiding principles, and ideas for guiding the Chinese revolution that were later proved by practice to be completely correct. [paragraph continues]

However, Wang Ming and others were divorced from practical reality and the masses. They copied phrases from Marxism and Leninism to guide the revolution. As a result, the revolution suffered severe setbacks. After summing up both positive and negative experiences, our party realized that to win a victory in leading the Chinese revolution, it must carry out a thorough and careful investigation in the various aspects of the society in our country in order to have complete understanding of them. The Marxist-Leninist principle must be integrated with the national conditions of China. The party must take its own road. The achievements made since the 3d Plenary Session of the 11th CPC Central Committee have once again demonstrated the truth. The party's line, guiding principle, and policies for the new period adopted by the party are based on in-depth investigations and studies and conform with the Chinese national conditions. It is precisely because of this reason that a favorable, vivid, and prosperous situation exists in our country today.

Going deep into the realities of life and conducting investigations and studies is a matter of particular significance to our Army. This is because the task of the Army is to wage war. In addition, the situation on the battlefield is complicated and changing rapidly. If we fail to have clear understanding about the situation of the enemy, the topography, and the conditions of our forces, it will be impossible for us to command our forces in warfare. Our soldiers might shed more blood, lose more lives, or even be defeated. Chairman Mao said: No investigation, no right to command the forces. Veteran comrades who once fought the war understand this truth. In the past, whether we fought a large or small war, cadres had to conduct a conscientious investigation of the conditions of both the enemy and ourselves, so that we knew the enemy and knew ourselves. As far as I can remember, during the Long March, when the Red Army was going to fight a bigger war, Chairman Mao, Commander Zhu, and Vice Chairman Zhou always made thorough investigation themselves and went personally to the frontline. One thing remains fresh in my mind. In the latter half of November 1935, the central Red Army successfully arrived in northern Shaanxi after the Long March. To smash the new enemy attack, Chairman Mao decided to organize the campaign at Zhilou Township. After issuing the order of war, Chairman Mao personally went to the frontline to command our forces. Although many comrades asked him not to go to the frontline, he insisted on commanding the war from a command post not far from Zhiluo Township, regardless of the bombing and shooting by enemy planes. After the fighting, which lasted more than 10 hours, the 109th Division and a regiment under the 106th Division were completely eliminated. This laid a foundation for the party Central Committee to place the nerve center of the revolution in the northwest.

During the years of war when the enemy and ourselves were confronting each other, objectively speaking, we would not be able to eliminate the enemy if we were not familiar with the situation. We might possibly be devoured by the enemy. Under such circumstances, leading organs and leading cadres of our Army at all levels could not but go deep into the reality of life to make investigations and studies. They gradually formed the habit of doing so. During peacetime, when our Army is promoting its modernization, the situation of confrontation between the enemy and ourselves has changed. If we fail to pay attention to the new situation, we are liable to neglect investigations and studies. This will give rise to subjectivism and bureaucratism. Actually, in the course of promoting its modernization, our Army is also facing new situations and new problems. If we fail to go deep into the reality of life to conduct investigations and studies, it will be impossible for us to integrate the policies and guiding principles of the party Central Committee and the Central Military Commission for the building of our Army with the practical reality in our forces and to devise a correct method for pushing smooth development in the building of our Army.

We cannot but realize that many of our comrades have somewhat neglected the fine tradition of going deep into the reality of life and making investigations and studies. [paragraph continues]

Some cadres rely on the method of reading documents and listening to reports to familiarize themselves with the situation. They write some flashy and superficial things such as "10 viewpoints," "8 integrations," and so on in their offices. Some leading cadres and office cadres always remain on the surface. They are busy attending meetings, drafting documents, and receiving and seeing off guests. I learn that some armies and divisions have established special groups responsible for writing speeches and articles for leaders. How can they do so? Although some leading cadres go down to the grass-roots units, they are just scratching the surface. They do not know the real situation, and are unable to solve practical problems. Some other cadres maintain that since we have new instruments and means for transmitting information, it is no longer necessary for us to go deep into the Army units to carry out investigations and studies. This is an erroneous understanding and practice that is detrimental to the building of the forces. At the lower levels, there are some bad work styles of merely paying lip service, reporting only the good news and not the bad, resorting to deception, and so on. We cannot but say that all this is closely connected with the bureaucratic and superficial work style of some leading cadres and leading organs. In some cases, formalism was practiced at the lower level to cater to the likes of some leaders. In other words, the lower level was compelled to do so by the higher level. Our comrades should realize that this work style is truly harmful to the building of the forces. With a lofty sense of responsibility for the care of our party, we should inspire our revolutionary spirit, direct our eyes downward, go deep into reality of life, understand the situation, and do our work well.

Lastly, Let Me Express My Views on the Way To Inherit and Carry Forward the Fine Tradition Under the New Situation [subhead]

Our country is now entering a new period of reform and opening up. There is a strategic change in the guiding thinking for the building of our Army. Our Army is embarking on the path of peaceful construction. We are facing many new conditions and problems. To solve these problems and promote the all-round construction in our Army, under the guidance of Marxism-Leninism-Mao Zedong Thought, it is necessary that we carry out reform and blaze new trails. In the meantime, we should continue to inherit and carry forward the fine tradition of our Army. How should we organically integrate these two matters? This is an important question for the construction of our Army in the new period, and also a new question for our political work.

What should be pointed out is that some people neglect the fine tradition. Some stress that since history has advanced and the present era is different from the past, the revolutionary tradition has become "ancient history" that is "no longer useful." Some others stressed: During the years of war, when conditions were hard, revolutionary tradition should be carried forward. But during peacetime, when conditions are good, it is not absolutely necessary to talk about tradition. All this shows that they still have confused ideas about the great vitality of the fine tradition of our Army, the great significance of its basic spirit to our cause today, and its long-term guidance role. This also shows that a lot of education, persuasion, and guidance work is needed in this regard so that people will understand that over the past 60 years, our forces have been basically built in accordance with the characteristics of the revolution and the needs of struggle, and that the basic policy and principle governing the building of our forces conform with our national conditions and the conditions of our forces. Therefore, the revolutionary spirit and basic principle reflected by the fine tradition are not restricted by time and conditions, and the objective law governing the building of the People's Army with Chinese characteristics should always be observed. We must have such a definite idea in mind, and must not be vague on this matter.

Judging from the trend of the new replacing the old with regard to the key leading members of our forces, we know that at present we should attach importance to the inheritance of the fine tradition. The number of comrades who were steeled by war and are familiar with the fine tradition of our forces is now limited. The number will get fewer and fewer. It is now a crucial period that determines whether the fine tradition of our Army can be inherited. Therefore, both old and young cadres must have an urgent need concerning this issue. Chairman Deng points out: "Young and middle-aged cadres will replace veteran comrades. What is most important for them to do is to inherit the veteran comrades, fine tradition of sticking to the orientation of the revolutionary struggle and the brave spirit. I hope that through your efforts, the fine tradition and work style of our party will be carried forward." Therefore, our young and middle-aged cadres must inherit the fine tradition, and veteran comrades must do well in passing on experience, giving help, and setting an example.

Of course, inheriting the fine tradition should proceed from the demand of our country and the building of our Army. New contents must be added to it, and new forms devised. Only thus can the old tradition radiate the new vigor. It will not work to mechanically copy the old methods without considering the present conditions. In accordance with the instruction of Vice Chairman Yang, we should take a lesson from history and understand again the history (including the tradition) of our Army. Various leading organs, colleges and universities, and research organs must place their emphasis on solving the present problems and on the future of our Army and carry out research work on the fine tradition of our Army. We must sum up historical experience in a scientific way and study the way to enrich and develop tradition under the new historical conditions, so that the fine tradition of our Army will become a strong driving power for the modernization of our forces.

When we talk about tradition, we should integrate it with historical facts and practical reality. An important reason some young comrades are not interested in tradition is that they lack personal understanding of the role of carrying forward the fine tradition. They do not know what losses we will suffer if we violate the fine tradition. Therefore, we should use our personal experiences, both the positive and negative lessons, and a host of vivid examples to carry out propaganda and education for them so that they will be convinced that fine tradition is indispensable. If we discarded the fine tradition, we would go astray and lose the superiority and characteristics of our Army. We would be void of the basis for reform and blazing new trails. Of course, it would be impossible for us to talk about making progress and promoting development. Apart from stressing the importance of tradition, we should set a good example in promoting it. This is a particularly important point. Our veteran comrades have been fighting throughout their lives. They have enjoyed lofty prestige among the masses. The example they set will have a strong influence over the forces and the society. Therefore, veteran comrades should pay attention to their words and deeds.

The fine tradition of our Army develops amid the struggle against various erroneous ideas and deeds. To inherit and carry forward the fine tradition, we should actively and correctly conduct criticism and self-criticism. If we talk about hard struggle and, at the same time, tolerate the practice of spending public funds on extravagant eating and drinking and extravagant expenses and waste, can we carry forward the work style of hard struggle? If we talk about the purpose of serving the interests of the people wholeheartedly and, at the same time, abuse our power to seek private gain at the expense of the interests of the state and the people, can we adhere to the purpose of our party and Army? It is impossible to inherit and carry forward the fine tradition if we rattle on theory alone and fail to take actions. It should be integrated with the work style of the party and the efforts to correct unhealthy trends. [paragraph continues]

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It should be integrated with the building of socialist spiritual civilization and our efforts to overcome various kinds of negative phenomena and to do solid job.

Since the 3d Plenary Session of the 11th CPC Central Committee and Chairman Deng's taking charge of the work of the Central Military Commission in particular, the whole Army has actively answered the call of the party Central Committee and Central Military Commission and done a lot of work and made great achievements in carrying forward the fine tradition of our Army. We believe that with the loving care of the proletarian revolutionaries of the older generation, comrades of the whole Army will take a clear-cut stand to uphold the four cardinal principles, oppose bourgeois liberalization, and conscientiously implement the line, guiding principles, and policies of the party Central Committee. They will inherit and carry forward the fine tradition in a more effective way and integrate it with the building of the Army, reform, and blazing with new trails. In so doing, the fine tradition of our Army will radiate more brilliant myriads in the new historical period.

YU QIULI MEETS LEADING PLA ART WORKERS

OW190053 Beijing XINHUA Domestic Service in Chinese 1254 GMT 18 Mar 87

[By reporter Li Xiuqing]

[Excerpts] Beijing, 18 Mar (XINHUA) -- A forum on the work of PLA song and dance ensembles closed today. The forum discussed how to improve ideological and vocational education for literary and art workers in the new period. Cultural department directors of major PLA units and leading cadres of PLA song and dance ensembles attended the meeting. They are determined to lead the Army's literary and art fighters in firmly upholding the four cardinal principles; seriously implementing the Central Military Commission's "decision on the Army's political work in the new period", and contributing to the development and prosperity of China's socialist literature and art. [passage omitted]

Yu Qiuli, director of the General Political Department, and Deputy Directors Guo Linxiang, Zhu Yunqian, and Zhou Wenyuan today met with the participants of the meeting. Guo Linxiang and Zhou Wenyuan addressed the meeting. The forum began on 10 March.

PLA POLITICAL OFFICERS ACADEMY OPENS IN CHANGSHA

OW181243 Beijing Domestic Service in Mandarin 2330 GMT 17 Mar 87

[From "Military Life" program]

[Text] China's first academy for advanced studies by Army political officers was recently inaugurated in Changsha. Its primary task is to train, by rotation, the Army's grass-roots political cadres and conduct research on grass-roots political work. Yu Qiuli, director of the PLA General Political Department, asked the academy to rotate all grass-roots political cadres in 2 or 3 years.

ANHUI GOVERNOR REASSURES SPECIALIZED HOUSEHOLDS

OW170015 Beijing XINHUA Domestic Service in Chinese 0730 GMT 16 Mar 87

[By correspondent Miao Youzhang]

[Text] Hefei, 16 Mar (XINHUA) -- Anhui Provincial and Hefei City authorities recently held a discussion meeting of representatives of large specialized households in the Hefei area. At the meeting, Governor Wang Yuzhao, Vice Governor Meng Fulin, Secretary of the Hefei City party committee Yang Yongliang and other leading comrades joined peasants' representatives to discuss major rural reform programs. The leading comrades encouraged large specialized households and peasant entrepreneurs to free their mind of misgivings, boldly forge ahead and work hard to become prosperous.

The atmosphere at the meeting was vigorous. The representatives aired their problems and vied to brief the provincial and city leading comrades on their experience in becoming prosperous through crop cultivation, aquaculture, processing industry, transport and business operations, and on their plans for this year. However, they also had certain misgivings.

Governor Wang Yuzhao listened to their briefings attentively, took notes, and frequently gave unequivocal answers to ideological questions raised by large specialized households. He said: The policy to bring people prosperity laid down since the 3d Plenary Session of the 11th CPC Central Committee will long remain unchanged. This year's central documents clearly stipulate that the policies on the individual economy and private enterprises will also remain unchanged. As our country has a large population, but insufficient cultivated land, hundreds of millions of working people will have to change their professions from crop cultivation to nonagricultural undertakings in the future. Only when state-owned, collective, individual, and other forms of economy exist simultaneously, can we bring into play the initiative of all sectors and smoothly achieve such a change.

Wang Yuzhao emphasized: We should not only permit individual economy and private enterprises to exist, but should also protect their legitimate operations, rights and interests. We should respect people's freedom to choose their own form of management, and should not arbitrarily force them to change their way of production. Currently, there are too few large specialized households in the province; and they are not big enough either. We should create more favorable conditions to promote their development.

After being briefed by the peasants' representatives, Governor Wang ebulliently encouraged them, saying: "You have set an example in developing the rural commodity economy for other peasants in the province to follow. You are representatives of advanced rural productive forces. I hope you will continue to set examples for others in the future."

JIANGXI TO CONTINUE TO EMULATE LEI FENG

OW161437 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 15 Mar 87

[Text] The provincial Committee for Five Stresses, Four Beauties, and Three Warm Loves [stress on decorum, courtesy, sanitation, order, and morality; beauty of the mind, language, behavior, and environment; and warm love for the motherland, socialism, and the party] issued a circular yesterday.

The circular called on comrades throughout the province to continue the campaign to learn from Lei Feng while carrying out activities of the five stresses, four beauties, and three warm loves. The circular stated: At present, we should take the Resolution of the Central Committee of the Communist Party of China on the Guiding Principles for Building a Socialist Spiritual Civilization as the guidance, pay close attention to the party's central tasks, and give full play to the Lei Feng spirit while upholding the four cardinal principles, opposing bourgeois liberalization, implementing the policies of conducting reform, opening to the outside world, and invigorating the domestic economy, and develop an extensive campaign to increase production, practice economy, boost revenues, and reduce expenditures.

The circular said: Emulation of the Lei Feng spirit should be combined with the efforts to strengthen professional ethics and improve the quality of service. It should also be linked with the fulfillment of each individual's responsibility and the pursuance of the goal of human life. At the same time, it is necessary to educate and lead the masses to act as civilized customers, passengers, audience, and citizens and to observe discipline and abide by the law on their own initiative so as to bring about a fundamental turn for the better in our social order and our standards of social conduct. To develop the campaign to emulate the Lei Feng spirit, it is also necessary to lead our cadres and masses to plunge into practical work aimed at making more contributions to society.

In addition, the circular called on the committees for five stresses, four beauties, and three warm loves at all levels to act under the party's leadership and coordinate with various departments, trades, and professions to include the campaign to learn from Lei Feng in their plans for developing the activities of the five stresses, four beauties, and three warm loves and the emulation drive to promote good service, bring about good order, and create a good environment. They should make overall planning and cooperate with one another to develop this campaign in a down-to-earth way, the circular added.

WANG SHAOFEN ATTENDS JIANGXI UNITED FRONT FORUM

OW161444 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 15 Mar 87

[Excerpts] A provincial conference on united front work opened in Nanchang today. The conference was held by the provincial party committee to study and implement important CPC Central Committee documents on upholding the four cardinal principles and opposing bourgeois liberalization; relay and implement guidelines of the National United Front Work Forum' and review, study, and make plans for Jiangxi's united front work. Leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the Standing Committee of the provincial People's Congress, the provincial government, and the provincial CPPCC Committee, including Wan Shaofen, Wu Guanzheng, Liu Fangren, Xu Qin, Zhao Zengyi, Zhu Zhihong, Wang Zemin, Qian Jiaming, Wu Ping, and Yang Yongfeng, attended the conference. [passage omitted]

Liu Fangren, deputy secretary of the provincial party committee, presided over today's meeting. (Du Bensheng), deputy director of the provincial United Front Work Department, relayed the guidelines of the National United Front Work Forum. The conference went into group study and discussions in the afternoon.

SHANGHAI COMMUNICATIONS BANK 'RESTRUCTURED'

GW120809 Beijing XINHUA in English 0650 GMT 12 Mar 87

[Text] Shanghai, March 12 (XINHUA) -- The Communications Bank of China, founded in 1908, has been restructured to offer customers the widest variety of services now available on China's mainland. And the State Council has appointed a new chairman and president to the bank.

Before the founding of the People's Republic of China in 1949, Shanghai was the financial powerhouse of China and the Far East, where China's four largest banks, including the Communications Bank, housed their headquarters.

In 1958, the Communications Bank was closed on the mainland and only maintained its Hong Kong branch.

Restructuring of the Communications Bank includes the appointment of a new chairman and president, relocation of the bank's headquarters from Beijing to Shanghai, and starting up banking business again in Shanghai. The most important change is the State Council's green light to the bank empowering it to offer all banking services, those already used in China or those now being tried as part of the reforms, and to carry out transactions in any currency, either Chinese or foreign.

"The restructuring of the Communications Bank is the direct result of China's economic development and financial reform," Li Xiangrui, the new chairman and president said.

Li, 59, who has been in banking for 40 years, is also the head of the Shanghai branch of the People's Bank of China, China's central bank, and the director of the Shanghai branch of the State Administration of Exchange Control.

In the past, only the Bank of China could deal in foreign currency, and other specialized national banks could only do business in their designated fields.

"The Communications Bank, unlike other national banks, will be able to set up offices anywhere, regardless of administrative regional division," Li explained, "and this freedom will help develop regional economic cooperation."

"The bank is planning to open offices in leading economic cities, but will emphasize improving its Shanghai branch by offering new services and trying new techniques to gain experience," Li said.

The new bank, with assets of two billion yuan (541 million U.S. dollars), will be under shareholders' ownership with the state holding 50 percent, the chairman said.

"Under shareholders' ownership the bank cannot depend on the government for money supply, but must operate independently and be responsible for its own profit and loss," the president said, adding official operation will begin next month.

"The State Council, China's highest governing body, first thought of restructuring the bank almost two years ago," Li disclosed in an exclusive interview with XINHUA, "and the State Council hopes the bank's restructuring will help lead to the revitalization of this former financial center."

The bank has been open in Shanghai on a trial basis for four months, and already has opened 447 accounts, and collected savings deposits of 400 million yuan (108 million U.S. dollars) and 6.74 million U.S. Dollars in foreign currency. The bank has also granted loans of 300 million yuan (71 million U.S. dollars) and 1.39 million U.S. dollars in foreign currency.

For the first time, the bank's Shanghai branch has issued transferable savings certificates in large amounts, and has handled 450 million yuan (121.6 million U.S. dollars) in inter-bank borrowing and lending, which has also been introduced in the country's new money markets.

"The Commercial Bank's Hong Kong branch will remain in the Hong Kong Bank of China group and work closely with the Shanghai branch to expand the bank's reserves and services, and jointly grant loans," Li said.

"The bank will actively enter international financial circles," Li noted, adding services now include issuing bonds in foreign currency; granting inter-bank loans; buying and selling stocks and bonds in Chinese and foreign currencies; investing in banks, financial institutions and enterprises abroad; and organizing and participating in granting joint loans by international banks and bank groups.

"When conditions are right," Li added, "we will also open more branches abroad."

"The Commercial Bank will gradually follow the model of the world's other major commercial banks," the new president said, adding representatives from 50 foreign banks have expressed interest in cooperating with his bank, have asked his bank to act as their agent, or have offered to train personnel for the Communications Ban.

"We'll do our best to offer first-class credit, service and efficiency," Li concluded.

Bank Holds First Meeting

OW181652 Beijing XINHUA in English 1447 GMT 18 Mar 87

[Excerpt] Shanghai, March 18 (XINHUA) — The Communications Bank of China held its first board of directors meeting today after it resumed operation this month.

The board of directors, consisting of 17 members, adopted a constitution and elected permanent deputies to the board. The State Council has appointed Li Xiangrui as the new chairman and president of the board. [passage omitted]

NEI MONGGOL RENAMES SOCIALIST ETHICS COMMITTEES

SK180527 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 17 Mar 87

[Text] The regional party committee has decided to rename all levels of the former "five-stress, four-beauty and three-ardent loves" committees and their offices as the "spiritual civilization construction" committees or offices. The major task of these committees and offices is to conduct supervision, examination, guidance, and coordination for building the socialist spiritual civilization throughout the region under the leadership of the regional party committee and government in coordination with various pertinent departments.

The regional committee for building spiritual civilization is composed of 34 responsible comrades of pertinent departments and bureaus, with Wen Jing, Standing Committee member of the regional party committee and director of the regional Propaganda Department, as chairman of the committee; and with Zhao Zhihong, vice chairman of the regional people's government, and (Suluobagen), deputy director of the regional Propaganda Department, as vice chairmen of the committee.

NEI MONGGOL'S BU HE ON CULTURAL-PUBLICATION WORK

SK160456 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 15 Mar 87

[Text] In his speech to the regional cultural and publications work conference on 14 March, Bu He, deputy secretary of the regional party committee and chairman of the regional government, called on comrades of the cultural and publication circles to have a correct political and ideological orientation; to upgrade their ability to resist the ideological trend of bourgeois liberalism; and to enhance awareness of implementing the orientation of serving socialism and serving the workers, peasants, and soldiers, and the principles of letting a hundred flowers blossom and a hundred schools of thought contend to facilitate the unity of literary and art and publication circles and to enhance the vitality and flourishing of creation.

Comrade Bu He spoke on five issues: 1) on the region's achievements in cultural and publication work over the past year; 2) adhering to the four cardinal principles and opposing bourgeois liberalism; 3) accelerating and deepening reform in cultural and publications work; 4) upgrading the political quality and professional ability of the ranks of cultural and publication workers; and 5) the issue on celebrating the 40th anniversary of the founding of the autonomous region.

Comrade Bu He said: Since the 3d Plenary Session of the 11th CPC Central Committee, the comrades on the regional cultural and publication fronts have conscientiously persisted in the orientation of serving the people and socialism, and the principles of letting a hundred flowers blossom and a hundred schools of thought contend, and have paid more attention to social benefits from cultural and publication work. Thus, a large number of works with higher ideological and artistic quality have emerged. Many literary and artistic works and books created by our region's literary and art workers have received good comments at national appraisals. The ranks of cultural and publication workers are growing steadily. A group of young skilled persons in cultural, artistic, publication, and literary and art fields have grown to maturity. Many literary and artistic groups and workers have made contributions to further promoting a combination between literary and art and the masses, to enriching the cultural life of the people of all nationalities, and to promoting the socialist material and spiritual civilizations through going deep to the grass-roots to stage performances for the masses and organizing and launching mass cultural activities.

With regard to the current struggle to oppose bourgeois liberalism, Comrade Bu He said: The struggle has special significance for the ideological and cultural fronts. Emphasis must be placed on solving problems concerning political orientation, principles, and policies on the cultural and publication fronts. Thus, the cultural and publication fronts should conduct education for Communist Party members on adhering to the four cardinal principles and opposing bourgeois liberalism, on comprehensively and correctly understanding and implementing the line, principles, and policies set forth since the 3d Plenary Session of the 11th CPC Central Committee, and on implementing the socialist literary and art principles and line of the party and the state in an effort to clear up the confusion in the ideologies for guiding literary and art work and literary and art creation.

Comrade Bu He stressed: The struggle to oppose bourgeois liberalism must be carried out in strict accordance with the regulations of the Party Central Committee. We should correctly distinguish the manifestation of ideological trend of bourgeois liberalism from its ideological influence. Through contention and further exploration, we should clearly judge the rights and wrongs of matters concerning ideological understanding and academic and artistic questions in an effort to make the comrades of literary and art and publication circles better serve the work of unifying and mobilizing the people of all nationalities throughout the region to contribute to socialist modernization.

Comrade Bu He urged comrades of cultural and publication circles to conscientiously study Marxism-Leninism-Mao Zedong Thought, to ideologically upgrade their awareness of reform, to make explorations in a step-by-step manner in the course of practice, and to conscientiously sum up, in line with the activities to celebrate the 40th anniversary of the founding of the autonomous region, the experiences in cultural and publication work gained over the past 40 years and find out where the region lags behind in order to steadily and coordinately develop the region's cultural and publication work.

NEI MONGGOL COMMUNIQUE REPORTS 1986 STATISTICS

SK161153 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 15 Mar 87

[Text] According to a statistical commune recently published by the autonomous regional statistical bureau concerning 1986 economic and social development, by upholding the principle of conducting reform and enforcing the policy of opening to the outside world and enlivening the economy, various fronts throughout the region have scored new achievements in the national economy in line with the key target of developing animal husbandry by planting trees and grass. The region's 1986 total social output value reached 27.45 billion yuan, a 3.1-percent increase over the 1985 figure and its national income reached 12.697 billion yuan, a 1.5-percent increase over the 1985 figure.

In 1986 when the natural disasters of drought and flood occurred, the region reduced the losses in agricultural production as much as possible by combating the disasters, providing relief to the victims, and providing for and helping itself by engaging in production. The region's total agricultural output value reached 5.766 billion yuan, a 5.2-decrease over the 1985 figure. Of this total agricultural output, that of grains reached 5.285 million tons, a 12.5-percent decrease over the 1985 figure; that of oil-bearing seeds reached 660,488 tons, a 16.9-percent decrease over the 1985 figure; and that of beets reached more than 1.95 million tons, a 37.4-percent decrease over the 1985 figure.

In 1986 the region scored marked achievements in animal husbandry production, in spite of the serious disasters, by following the key target of developing animal husbandry by vigorously planting trees and grass, resolutely conducting reforms and construction among the pastoral farms, and by paying attention to raising animals in a scientific way.

At the end of 1986, the region's total number of livestock reached 32.535 million, a 1.5-percent increase over the 1985 figure, and its output of major animal by-products and the marketable rate of its livestock somewhat surpassed the 1985 figures.

The region achieved steady, stable, and harmonious development in industrial production in 1986. Its annual total industrial output value reached 10.758 billion yuan and first broke the record of 10 billion yuan, a 13.13-percent increase over the 1985 figure. Of annual industrial output value, that of light industry reached 4.433 billion yuan, a 10.45-percent increase over the 1985 figure; and that of heavy industry reached 5.834 billion yuan, a 6.14-percent increase over the 1985 figure. Of the output of 80 major industrial products specifically appraised by the regional authorities, that of 49 products, including blankets, knitting wool, carpets, chemical fiber, leather, dairy farm goods, canned goods, drugs, pig iron, steel, timber, and cement met or surpassed the demands set forth by the annual plans.

The region's 1986 investment in fixed assets reached 4.754 billion yuan, a 205 million yuan or 4.13-percent decrease over the 1985 figure, creating a favorable trend in lowering the total scope of investments. Of its total volume of investments, the proportion of investment in the construction of productive projects increased and that in the construction of nonproduction projects declined. The rate of construction projects that have been put into production somewhat surpassed the 1985 figure. In particular, the region accelerated the pace of conducting technical renovations among the existing enterprises.

In 1986 the departments of communications and transportation and of post and telecommunications showed an increase in their economic results. The per-capita productivity of railway transport units surpassed the 1985 figure by 2 percent and the average daily output of train transport operations reached 722,000 ton-km. Incomes and profits earned by the railway transport units surpassed the 1985 figures by 6.4 percent and 9.1 percent respectively. The volume of losses suffered by the postal and telecommunications enterprises was lower than that of 1985. However, the strained situation in communications and transportation as well as in post and telecommunication remained unchanged.

In 1986 the region further deepened the drive to conduct reforms in the commercial systems and successfully unclogged various channels of commodity circulation. Markets in both the urban and rural areas enjoyed brisk sales. The region's annual retail sales of social commodities reached 9.26 billion yuan, a 12.3-percent increase over the 1985 figure. The trend of market price hikes was somewhat relieved, the general index of retail prices showed a 5-percent increase over the 1985 figure, and the index of average purchase prices showed a 14.1-percent increase over the 1985 figure.

In 1986 the region achieved new developments in the economic and trade relationship with foreign countries. The region's total volume of exports and imports reached 242 million yuan, a 21.25-percent increase over the 1985 figure.

At the end of 1986, the region's total population was 20.292 million people and the rate of population growth reached 17.93 percent; the rate of death reached 5.86 percent. The region's population's natural growth reached 12.07 percent, somewhat surpassing the 1985 figure.

In 1986 the region also achieved development in varying degrees in the fields of science, education, culture, publishing, radio and television broadcasting, motion pictures, public health, and physical culture and sports. In particular, the employment of personnel showed an obvious increase. The urban areas throughout the region arranged jobs for more than 200,000 persons, a more than 29,000-person increase over the 1985 figure.

HEILONGJIANG SECRETARY, STATE LEADERS SEE INJURED

SK190433 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 18 Mar 87

[Text] Accompanied by leading comrades of the provincial party and government organs, including Sun Weiben and Hou Jie, Textile Industry Minister Wu Wenying and Vice Minister Ji Guobiao, who made a special trip from Beijing to Harbin, today visited the Harbin Linen Textile Mill and some hospitals where the workers injured in the serious explosion of the Harbin Linen Textile Mill are being treated. On behalf of the State Council, the provincial party committee and the provincial government, they visited workers, staffers, and the injured workers of the Harbin Linen Textile Mill.

Wu Wenying arrived in Harbin today. She heard a report on the serious explosion that occurred in the Harbin Linen Textile Mill on 15 March. She highly praised the workers and staff of the Harbin Linen Textile Mill for their strong fighting spirit and efforts in resuming production within a short time.

After that, Wu Wenying, Sun Weiben, and other leading comrades went to the provincial hospital and the Harbin No 5 Hospital to extend warm regards to the hospitalized workers and staff and the medical workers who have been caring for the injured day and night.

This morning, Vice Minister Ji Guobiao and Governor Hou Jie also went to the provincial hospital, the Harbin Medical University Hospital, the Harbin No 5 Hospital, and the PLA No 211 Hospital to visit the injured workers. They called on the medical workers of all hospitals to carefully treat and care for the injured, and to make their utmost efforts to save them through close cooperation and concerted efforts.

Also accompanying Wu Wenying on her visit to the Harbin Linen Textile Mill were responsible persons of the State Economic Commission, the Ministry of Public Security, the Ministry of Labor and Personnel, the Ministry of Foreign Economic Relations and Trade, the All-China Federation of Trade Unions, and other departments concerned.

JILIN CIRCULAR ON VILLAGE-LEVEL PARTY REFORM

SK160412 Changchun Jilin Provincial Service in Mandarin 2200 GMT 14 Mar 87

[Text] To fulfill all tasks for village-level party rectification from start to finish, the Party Rectification Guidance Group under the provincial party committee issued a circular on 14 March calling on party organizations at all levels to firmly grasp the following items of work during the favorable period before spring plowing:

1. We should have a realistic estimate of the quality of village-level party rectification. Party committees at all levels must undertake an appropriate and realistic analysis and estimate of village-level party rectification in the near future with an aim to fulfill the tasks for the village-level party rectification with high standards and in a comprehensive manner.

2. We should further grasp the work of assigning some time to continue the study of the party rectification documents among those villages which have lagged behind in carrying out party rectification.

An investigation shows that about 30 percent of the villages in our province have not solved their problems in carrying out party rectification. Their major problems are: First, serious cases of abusing one's powers to extort personal favors and violating laws and discipline have not been revealed and solved; second, education on party spirit has been conducted perfunctorily; and third, there has been a lack of unity among bodies of party branches. We must pay attention to adopting remedial measures for those villages which lag behind in carrying out party rectification and strive to solve their problems before spring plowing.

3. We should pay close attention to solving problems left over from the previous stages of party rectification. We should conduct a general reexamination of party member registration and organizational measures in most areas, particularly those towns and townships which have not experienced cases of postponing or rejecting registration for party membership and taking disciplinary actions against party members, in order to prevent major problems from occurring. Those cadres [words indistinct] should be ferreted out and punished.

4. We should attend to consolidating and developing the achievements already scored in party rectification. Proceeding from their respective conditions, party organizations in various towns, townships, and villages should study and work out their plans for consolidating and developing the achievements scored in party rectification, and should conduct education among party members on upholding the four cardinal principles, on requirements for party members, and on ideals and discipline. If possible, towns and townships should establish spare time party schools to conduct training and education in a regular manner.

In conclusion, the circular calls on various localities to conscientiously carry out village-level party rectification in line with their respective situations, and should organize forces to conduct supervision and examination well.

JILIN GOVERNMENT MEETING DEEPENS THRIFT DRIVE

SK171255 Changchun Jilin Provincial Service in Mandarin 1030 GMT 16 Mar 87

[Text] On 16 March the provincial people's government held an official meeting on increasing production and practicing economy, as well as on increasing income and curtailing spending.

The meeting stressed that efforts should be made to further enhance leadership over the movement, to increase benefits, to compress the overheated atmosphere, and to formulate plans for conducting reforms to deepen the movement of increasing production and practicing economy, as well as increasing income and curtailing spending.

Gao Dezhan, governor of the province, presided over the meeting and delivered a speech. At the meeting the participating personnel from the provincial Trade Union Council, the provincial Planning and Economic Commission, and the party committee under the provincial level organs delivered reports on the situation that prevails in the movement to increase production and practice economy, as well as increase income and curtail spending.

At the meeting the participants contended that the current movement in this regard had been carried out in succession in various localities throughout the province. Many enterprises and establishments have not only defined the movement's target and fulfilled the target down to every work team, group, and worker, but have also scored preliminary achievements by adopting appropriate measures.

However, judging from the province's situation as a whole, the movement in this regard has just begun and has not evenly developed among various localities, industries, and trades.

At the meeting the participants contended that our devotion to increasing production and practicing economy, as well as to increasing income and curtailing spending, represents a central task in the 1987 economic work, which reflects the spirit of waging arduous struggle and building the country through thrift and hard work. Therefore, such a task is of long-term importance and should be deeply and protractedly carried out in a healthy manner. Strictly according to the focus on compressing the overheated atmosphere and increasing benefits, efforts should be made to integrate and movement with the tasks of conducting reform, fulfilling various plans, upgrading enterprises' quality, and building the spiritual civilization.

The meeting pointed out that efforts should be made to deepen the movement in this regard. To this end, we should depend on deepening the drive to conduct reform, on the enhancement of ideological and political work, on the enhancement of enterprise management, and on fully mobilizing the masses. In carrying out the movement, we should bear in mind the target, formulate effective measures, achieve effects, conduct the movement in a down-to-earth manner, do practical deeds within the movement, seek practical effects, refrain from indulging in formalism, and avoid giving only vague and general directions.

The meeting also pointed out that in carrying out the movement, the government organs should set examples in work.

At the meeting the provincial people's government decided to cancel the provincial economic work conference to be held in 1987. The work groups in charge of the movement on every front throughout the province and the comprehensive work teams should be responsible to fulfill the content of the cancelled economic work conference down to every department in the enterprises.

LIAONING'S QUAN SHUREN ATTENDS ECONOMIC SEMINAR

SK130402 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 12 Mar 87

[Excerpts] The provincial seminar on accelerating the building of export-oriented economy in the Liaodong peninsula opened at Bangchuidao Guesthouse in Dalian City on the morning of 12 March.

Attending the seminar were leading comrades from the provincial party committee, the provincial Advisory Commission, the provincial People's Congress, the provincial people's government, and the provincial CPPCC Committee, including Quan Shuren, Li Changchun, Zhu Jiazhen, Hu Yimin, Wang Guangzhong, and Yu Jingqing.

Also attending the seminar were responsible persons from the provincial departments concerned; experts and scholars from and outside the province; and leading comrades from the cities of Shenyang, Dalian, Dandong, and Yingkou.

At the seminar, Li Changchun, governor of the province, delivered a speech. [passage omitted]

The seminar sponsored by the provincial party committee and the provincial people's government will discuss and appraise in an overall way the administrative levels in charge of enforcing the policy of opening to the outside world, the strategic position and significance of enforcing this policy, the strategic target of developing the export-oriented economy, and the measures and suggestions for enhancing this policy.

Among those invited to the seminar were responsible persons from the state departments concerned, including Gu Ming, Zhang Wenjin, and Sun Pinghua.

Speaks on Export Economy

SK170653 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 16 Mar 87

[Text] In his speech at the provincial seminar on accelerating the building of export-oriented economy on the Liaodong peninsula which concluded on 16 March, Quan Shuren, secretary of the provincial party committee, pointed out: In order to enhance the people's awareness of opening to the outside world, we should define guiding ideology and strategic goals for developing export-oriented economy, accelerate the formulation of accurate policies and measures for export-oriented economic development, and truly assume the heavy duty of accelerating the building of export-oriented economy on the Liaodong peninsula.

With regard to strengthening the people's awareness of opening to the outside world, Quan Shuren said: The Liaodong peninsula and coastal areas are the key places of Liaoning, the economically most well-developed places in Northeast China, among the economically well-developed places in the whole nation, and the key gateways of North China. Thus, accelerating the building of export-oriented economy in these places is a demand for not only developing Liaoning but also accelerating the economic development in Northeast China and speeding up China's four modernizations.

After expounding that the Liaodong peninsula should focus opening to the outside world on creating foreign exchange in detail, Quan Shuren pointed out: Liaoning should grasp three key tasks in order to expand export and enhance capacity of creating foreign exchange. First, Liaoning should grasp its advantage of having rich natural resources to shift its export orientation from raw materials and rough processing to intensive and precision processing. Second, Liaoning should proceed from its advantage of having an industrial basis to expand light and textile industries' capacity for creating foreign exchange through exports and by increasing varieties, designs, and colors of products. Third, Liaoning should expand the exports of petrochemical industrial and building materials and enthusiastically create conditions for accelerating the exports of mechanical and electronics products in an effort to build Liaoning into a base with the focus on exporting mechanical and electronics products. With regard to creating foreign exchange through exports, we should place emphasis on grasping the development of export products that can gain higher and faster economic results with fewer investments.

With regard to the idea of opening to the outside world in a step-by-step manner, Quan Shuren pointed out that in order to expand the places to open to the outside world from coastal areas to inland areas in a step-by-step manner, we must correctly handle the relations between plains and hinterland. He said: In order to develop the building of export-oriented economy on the Liaodong peninsula, we must rely on hinterland on the one hand, and must bring into play the dominant role of plains as a window to serve the hinterland on the other hand. The Liaodong peninsula should pay full attention to conducting lateral cooperation with Nei Monggol and various places in northeast China, and should strengthen cooperation with these places.

Quan Shuren stressed: It is important to solve problems concerning policies in order to accelerate the building of export-oriented economy on the Liaodong peninsula. At present, we must concentrate efforts on vitalizing the use of current policies.

While formulating policies, we should focus on arousing the enthusiasm of the enterprises engaged in production of export products; on transforming old enterprises; on building plants and bases with specialized production of export products; on readjusting product mix to facilitate the development of the work of importing, assimilating, and absorbing foreign advancements; and on enabling the units that can create foreign exchange through exports to gain real benefits from seeking international markets.

LIAONING'S QUAN SHUREN SPEAKS IN DALIAN

SK170523 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 16 Mar 87

[Excerpts] An on-the-spot office meeting on the work of the Dalian Development Zone, held by the provincial party committee and the provincial people's government in Dalian on 16 March, called on the people throughout the province to make concerted efforts to build the Dalian Development Zone into an experimental and model plot with a high growth rate and high standards in order to expand the development of the export-oriented economy of Liaodong peninsula.

The meeting's participants listened to the report on the construction of the development zone made by the Dalian City people's government and the management committee of the Dalian Development Zone, studied and discussed this year's principles for the construction of the development zone, and helped solve the shortage of funds and raw materials.

Quan Shuren, secretary of the provincial party committee, said in his speech: Great achievements have been scored in building the Dalian Development Zone over the past 2 years or so. The current major task is to reduce the construction of nonproductive projects, ensure the construction of productive projects, concentrate on the construction of existing projects, and firmly grasp the commission and management of the existing enterprises. He pointed out that there are two criteria for judging whether a development zone has an attraction: one is benefit and the other is service quality. Only with good benefit and service can a development zone attract investment from foreign traders.

He stressed: The Dalian Development Zone is the window of northeast China and Liaoning. Achieving success in building the development zone is a common task of the people throughout the province, and thus it should be listed as an even more important item on the daily agenda. All departments should help the development zone solve its problems and render service to it in a coordinated manner. [passage omitted]

Attending the meeting were leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress, the provincial people's government, and the provincial CPPCC Committee, including Zhu Jiazhen, Hu Yimin, Wang Guangzhong, and Yu Heqing. Also attending were Bi Xizhen, secretary of the Dalian City party committee; Wei Fuhai, mayor of Dalian City; and responsible persons of the Special Economic Zones Office of the State Council, the State Planning Commission, and various pertinent departments of the province and Dalian City.

QINGHAI SECRETARY ATTENDS DISCIPLINE MEETING

HK190345 Xining Qinghai Provincial Service in Mandarin 2300 GMT 18 Mar 87

[Excerpts] The provincial Discipline Inspection Commission held a gathering on 18 March to convey the spirit of the National Discipline Inspection Work Conference and make arrangements for party discipline inspection work in Qinghai this year. Provincial party and government leaders including Yin Kesheng, Huanjuecailang, and Ma Wanli attended the meeting. [passage omitted]

Duo Ba, secretary of the provincial Discipline Inspection Commission, put forward demands on this year's work. [passage omitted] Huanjuecailang, deputy secretary of the provincial party committee, also spoke. [passage omitted]

XINJIANG MEETING DISCUSSES PARTY RECTIFICATION

HK140307 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 13 Mar 87

[Excerpts] A forum of some prefectures, cities, and counties, and of the production groups and corps, convened by the regional party committee's party rectification office to discuss party rectification issues, concluded today. The meeting called on the party committees at all levels to step up the work of consolidating and developing the fruits of party rectification, get a good grasp of resolving leftover problems, and do a good job in summation work.

The meeting held that judging by present progress, village-level party rectification throughout the region can be completed by April. In carrying out party rectification over the past 3 years and more, under the leadership of the CPC Central Committee, the Central Commission for guiding party rectification, and the regional party committee, Xinjiang has resolutely implemented the central authorities' basic guidelines, tasks, policies, and methods of party rectification. [passage omitted] The general situation is good.

Party rectification has ensured and stimulated the smooth progress of reform. It has spurred economic development and the fulfillment of all work tasks, and further consolidated and developed the political situation of stability and unity in the region.

Wang Zhenwen, vice chairman of the regional Advisory Commission and permanent deputy head of the regional group for guiding party rectification, spoke at the conclusion of the meeting. He said: The party committees at all levels must seriously review the situation in their units since party rectification. They should affirm the achievements, find out the problems, and further firm up measures for consolidating and developing the fruits of party rectification. The various systems and measures established in the course of party rectification should be given a serious and all-round review. Those not yet implemented must be implemented as soon as possible, and those that need amending should be gradually improved and perfected in the course of implementation. As for units where party rectification has been done poorly, the leaders of the party committee at the next higher level must provide specific assistance and set a deadline for resolving the problems.

On resolving leftover problems in party rectification, Wang Zhenwen stressed that it is essential to step up the work of investigating and dealing with cases of serious abuse of power and violations of law and discipline. The principal leaders of the prefectural and county organs must grasp this work personally. If the force for handling such cases is not strong enough, it must be augmented so as to rapidly handle this work.

FOREIGN MINISTER ON SHULTZ PRC VISIT RESULTS

OW161153 Taipei CNA in English 1053 GMT 16 Mar 87

[Text] Taipei, March 16 (CNA) -- Foreign Minister Fu-sung Chu said Monday that Sino-American relations remain unchanged despite U.S. Secretary of State George Shultz's visit to the China mainland earlier this month.

Chu said at a meeting of the Foreign Relations Committee of the Legislative Yuan that the U.S. remains committed to developing economic and cultural ties with the ROC [Republic of China] under the Taiwan Relations Act.

Describing Shultz's visit as routine, Chu said that he also did not change the U.S. policy of not interfering or intervening in the disputes between Taipei and Peiping. In addition, he said, the U.S. maintains its policy of not pressuring either side on the Taiwan Straits to negotiate with the other.

The foreign minister defended the country's policy of "no contact, no negotiation and no compromise" with Peking as an effective and positive policy against the communist regime's conspiracy to communize Taiwan. Chu reminded the legislators that Peiping has never renounced the use of force as a means of unification of the country.

GARRISON COMMAND TO RETAIN SECURITY ROLE

OW141013 Taipei CHINA POST in English 10 Mar 87 p 12

[Text] The Taiwan Garrison Command will not be dissolved after martial law is lifted and will be assigned new tasks, Defense Minister Wang Tao-yuan said yesterday.

Security authorities -- the garrison command, the Interior Ministry's National Police Administration, the Justice Ministry's Bureau of Investigation and the Military Police Headquarters -- will continue to be responsible for national security, the minister said.

Wang made the statement at the Legislative Yuan in answer to an interpellation by Legislator Huang Chu-wen.

Meanwhile, the minister said the draft of the National Security Law gives security authorities the right to inspect incoming and outgoing tourists, planes, and ships to prevent hijacking, infiltration by the Chinese Communists and the smuggling of firearms.

The proposed law stipulates that only servicemen will be tried by court martial. Wang said this is a sign of the government's determination to implement constitutional law.

SECURITY BILL SAID NOT HIDING EMERGENCY DECREE

OW190259 Taipei CNA in English 0231 GMT 19 Mar 87

[Text] Taipei, March 19 (CNA) -- Justice Minister Shih Chi-yang said Wednesday that the proposed National Security Bill will be an ordinary law aimed at maintaining national security after the cancellation of the emergency decree.

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Testifying at a joint hearing of the Legislative Yuan's committees on interior, justice affairs, and national defense, Shih said that the government will revoke all the laws and regulations arising from the emergency decree upon the cancellation of the decree.

He stressed that the National Security Bill is not "old wine in new bottles" as some people have described it.

INTERIOR MINISTER DISCUSSES NATIONAL SECURITY LAW

OW181245 Taipei CHINA POST in English 13 Mar 87 p 12

[Text] The proposed National Security Law stipulates that assembly and association should be tempered with respect for the Constitution, support of anti-communism and opposition to secessionism (Taiwan independence) to insure national security, Interior Minister Wu Po-Hsiung said yesterday.

In reply to an interpellation by Legislators Hung Chao-Nan and Lin Lien-hui, the minister said the three conditions for assembly and association were included in the draft of the National Security Law to prevent assembly and association from "overstepping the line and posing a danger to society."

The source of the draft is Article 23 of the Constitution which stipulates that all the freedoms and rights shall not be restricted by law except by such as may be necessary to prevent infringement upon the freedoms of other persons, to avert an imminent crisis, to maintain social order, or to advance public welfare, he said.

Wu said the government is willing to change wording in the draft so long as the changes do not deviate from the spirit of the proposed security law.

Legislator Lin suggested changing "be against secessionism" into "does not violate the nation's sovereignty and does not advocate changing the nation's territory."

Legislator Hung questioned whether the "anti-communist policy" refers to all communist countries in the world or only communists in China.

Hung asked whether trading with communist countries in Eastern Europe and competing in sports event in communist countries also amount to being against the anti-communist policy.

The National Security Law will replace the 38-year-old martial law in Taiwan and Penghu (the Pescadores) after it is passed by the Legislative Yuan.

NO CIVILIAN COURT-MARTIAL UNDER SECURITY LAW

OW190353 Taipei CNA in English 0234 GMT 19 Mar 87

[Text] Taipei, March 19 (CNA) -- National Defense Minister Wang Tao-yuan said Wednesday that after the national security bill is enacted, all civil law disputes between civilians and military servicemen will be resolved by civilian courts.

As for criminal law disputes between civilians and men in uniform, Wang said that if the defendants in such disputes are servicemen, they will be court-martialed. If the defendants are civilians, the cases will be put under the jurisdiction of civilian courts.

Wang stressed that according to the draft of the national security bill, no civilian will be court-martialed.

DEFENSE MINISTER ON AIRPORT SECURITY MEASURES

OW141702 Taipei CNA in English 1500 GMT 14 Mar 87

[Text] Taipei, March 14 (CNA) -- Republic of China [ROC] Defense Minister Wang Tao-yuan said Saturday that inspection of inbound and outbound passengers is a necessary procedure in maintaining national security, especially when the nation faces the threat of Chinese communist infiltration.

Almost all countries in the world have intensified their airport and harbor security measures in the face of increasing international terrorist activities. Just like other countries, the ROC will continue to inspect inbound and outbound passengers, vessels and aircraft so as to maintain national security.

Speaking at a meeting sponsored by the Kuomintang Central Coordination Committee, Wang disclosed that over the past five years, the Taiwan Garrison Command [TGC] have cracked 2,305 smuggling cases involving 3,225 people. During this period, TGC personnel confiscated a total of 339 smuggled pistols and rifles and 64,576 rounds of ammunition.

Without security checks, illegal firearms and smuggled goods can easily flow into this nation, thus posing a serious threat to social order and national security, he said.

As to the restrictions on access to certain mountain and coastal areas and military facilities, Wang said that government has begun to minimize such restrictions in order to protect the people's rights and interests. For instance, he said, the government so far has demolished 1,600 military entrenchments of little strategic value and is planning to tear down 500 more in Fiscal 1987.

NEWLY ELECTED LEADERS SWORN INTO CONTROL YUAN

OW161201 Taipei CNA in English 1057 GMT 16 Mar 87

[Excerpts] Taipei, March 16 (CNA) -- The newly elected president and vice president of the Control Yuan, Huang Tsun-chiu and Ma Kung-chun, were sworn in together on Monday.

The oath-taking ceremony was supervised by Grand Justice Shih Hsi-en and witnessed by all members of the Yuan.

Huang, 64, former vice president of the Control Yuan, succeeded Yu Chun-hsien. Ma, 74, is concurrently a member of the Kuomintang Central Advisory Committee and secretary general of the KMT caucus for the Yuan. [passage omitted]

Judicial Yuan President Huang Shao-ku and National Policy Adviser Tao Po-chun were among the wellwishers who extended their congratulations to Huang and Ma.

HONG KONG

SEPARATE NPC DELEGATION POSSIBLE AFTER 1997

HK180137 Hong Kong HONGKONG STANDARD in English 18 Mar 87 p 2

[By Chan Wai-fong]

[Text] Hong Kong may have its own delegation in China's National People's Congress after 1997, with members elected through universal franchise or by an electoral college.

This was disclosed yesterday by Mr Ng Hon-mun, who is a Hong Kong representative to the Congress and an executive member of the Basic Law Draft Committee [BLDC].

Mr Ng said the method of choosing these members is entirely up to the BLDC. He told THE STANDARD that choosing delegates through "consultations" may not comply with the post-1997 status of Hong Kong as a Special Administrative Region [SAR].

Election by consultation has been very popular in China, with the electors usually discussing among themselves who should fill the slot.

Currently, there are 17 Hong Kong representatives in the Congress with one permanently residing in the territory. But these "locals" only form part of the Guangdong provincial delegation.

Earlier reports indicated that the Chinese authorities favoured the suggestion that Hong Kong should have its own delegation.

Mr Xu Jiatun, director of the local XINHUA NEWS AGENCY, reportedly suggested this could be done before 1997.

Earlier, Mr Ng said a separate delegation would be necessary as Hong Kong would be a separate region in 1997.

However, he said that electing a separate Hong Kong delegation -- by whatever means -- would only be appropriate after 1997 when the sovereignty of the territory changes hands.

"The congress is a state organization of China during the 10 years Hong Kong will be administered by the British. Therefore, an independent delegation of the territory should only come into being then," Mr Ng said.

Meanwhile, the upcoming congress meeting, to be held next Wednesday in Beijing, will also discuss methods for electing representatives and determining the size of the congress.

This is the final session of the sixth congress. New delegates have to be chosen before the next congress, which is scheduled to meet early next year.

Discussion papers have already been sent to individual members. These include a draft law on state-owned industrial enterprises and election methods.

ACTING GOVERNOR RULES OUT PRESS LAW REVIEW

HK170209 Hong Kong SOUTH CHINA MORNING POST in English 17 Mar 87 p 2

[Text] The Acting Governor, Sir David Akers-Jones, has ruled out an immediate review of the Public Order Ordinance, which opponents say may be used to curb freedom of the press.

Sir David added that it was unlikely the Queen would veto the law, as it had received strong support in the Legislative Council.

Only nine of the 56 members opposed the bill when it was passed last week.

Speaking at a ceremony in Aberdeen, Sir David said: "It is a bit too soon to talk of amending the legislation as it was passed by a strong majority after a debate of great detail.

"As Sir Sze-yuen Chung has said, we should see how the legislation works and look at it in more detail over the months and years ahead."

Asked whether there was any chance of the Queen intervening, Sir David said: "I think it would be very extraordinary if the views of the Hong Kong legislature were ignored."

Sir David said the fact that the legislation had been passed in the face of strong public opposition would not destroy people's confidence in the system of representative government.

"The representatives in the Legislative Council voted after considerable public debate; this should strengthen confidence in the system."

Commenting on moves by the Hong Kong Journalists' Association to have the legislation reviewed, Sir David said the association was exercising the right of freedom of speech that Hong Kong enjoyed.

Six District Board members and regional and urban councillors have also called for the legislation to be reviewed. But, Sir David said: "They should inform themselves of all the issues and facts of the case.

"It's not getting through to them. We have in fact removed a great deal of repressive legislation. I think this has not been thoroughly appreciated."

FOREIGN CORRESPONDENTS CLUB TO FIGHT PRESS LAW

HK160610 Hong Kong AFP in English 0600 GMT 16 Mar 87

[Text] Hong Kong, Mar 16 (AFP) -- The Foreign Correspondents Club (FCC) here announced Monday that it is to seek the support of British Foreign Secretary Sir Geoffrey Howe in a bid to have a controversial press law repealed.

Under the amended publications order ordinance, passed by the Legislative Council here Wednesday, anyone found guilty of issuing "false news that is likely to cause or has caused public alarm or disorder," will be liable to a maximum fine of 100,000 Hong Kong dollars (12,820 U.S.) and two years in prison.

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To avoid conviction a defendant must provide evidence that he had "reasonable grounds" to believe the information true at the time of publication or broadcasting.

FCC delegates would go to London to seek a meeting with Sir Geoffrey and his support for a repeal of the law, an FCC announcement said.

The Hong Kong Journalists' Association had earlier said that it would send representatives to London to lobby parliamentary support for a royal repeal of the law.

Local journalists, politicians, academics and religious groups have asked for the new legislation to be reviewed or scrapped, saying that it threatens the freedoms of press, speech and publication.

But Hong Kong's Attorney General Michael Thomas, who has the sole authority to decide whether to prosecute under the law, said Monday: "I should be very surprised if it is necessary to review it so quickly."

LI PENG MEETS HONG KONG AIRLINE OFFICIALS

OW131402 Beijing XINHUA in English 1312 GMT 13 Mar 87

[Text] Beijing, March 13 (XINHUA) -- Chinese Vice-Premier Li Peng met Vice-Chairman of the Hong Kong Dragon Airlines Kuang-piu Chao and Managing Director Helmut Solmen here today. Li assured the Hong Kong visitors that the Civil Aviation Administration of China (CAAC) will continue to support the Dragonair in its business.

Hong Kong's prosperity lies mainly in the growth of private enterprises, he said, adding that both the expansion of foreign-funded enterprises and that of local-Chinese-funded enterprises are conducive to the prosperity and stability of Hong Kong. Li said he hoped for their common progress.

The Chinese vice-premier also praised Dragonair's contributions to passenger and cargo transport between Hong Kong and [the] Chinese mainland, and wished the airlines still bigger progress.

Chen Junsheng, secretary-general of the State Council, attended the meeting and later gave a dinner for the visitors.

MACAO

PORTUGAL SEEKS CONCESSIONS IN MACAO TALKS

HK190912 Hong Kong AFP in English 0858 GMT 19 Mar 87

[By Pierre-Antoine Donnet]

[Excerpt] Beijing, March 19 (AFP) -- Sino-Portuguese talks here on the future of Macao entered a crucial phase Thursday as Lisbon sought to extract last-minute concessions from Beijing concerning the nationality of up to 100,000 residents of the Portuguese enclave in south China, informed Portuguese sources said.

Chinese and Portuguese officials met for the second consecutive day early Thursday and, according to a Portuguese negotiator, were due to resume discussions later in the day. The main topic discussed was the nationality of between 80,000 and 100,000 people born in Macao before 1979, about a fifth of the population, who according to Portuguese law have the right to Portuguese nationality.

Lisbon insists that they be permitted to have dual nationality but Beijing wants them to have only Chinese nationality, Portuguese sources said.

Portugal is taking advantage of Chinese Premier Zhao Ziyang's wish to present an accord to a full session of China's National People's Congress, or parliament, due to open on Wednesday as proof of the success of China's open-door policy, these sources said. "The Portuguese side is exerting pressure to achieve satisfaction," one source said.

"We're quite familiar with the political situation in China and the struggle between conservatives and reformists. Zhao Ziyang needs an agreement and we're using that to get last-minute concessions."

The Portuguese delegation, led by Ambassador to the United Nations Rui Medina, spent a good deal of the night here of Wednesday and Thursday consulting Lisbon about last-minute offers, Portuguese sources said.

These sources said it was possible an agreement would not be reached Thursday as Portuguese Ambassador to China Octavio Valerio suggested Wednesday.

Portugal has already accepted that China should resume administering the 15.5 square kilometre (six square mile) gambler's paradise in December 1999, these sources said.

Chinese Deputy Foreign Minister Zhou Nan, who represents China in the negotiations, declared Wednesday that he was "increasingly optimistic" about the outcome of the fourth round of talks.

"Look at our faces -- we're very happy," declared Mr Valerio. "Tomorrow will be a fine day."

Members of the Portuguese delegation coming out of the talks Thursday did not say whether negotiations would be extended to Friday, although one voiced optimism about the outcome.

Portuguese sources said that if an agreement was struck, it was most likely that a joint communique in which Lisbon declared its acceptance of Macao's return to Chinese administration would be published.

The document would be endorsed by the Portuguese State Council, initialled by Mr Zhou Nan and Mr Medina, and eventually signed by the Chinese and Portuguese Governments.

Governor of Macao Joaquim Pinto Machado left the enclave for Portugal Wednesday to inform Portuguese President Mario Soares of the latest developments.

The governor said the talks were in their "final phase" and that Friday's meeting of the Portuguese State Council would therefore be "very important." [passage omitted]

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